

**36th ANNUAL REPORT  
FOR THE YEAR ENDED  
31st MARCH, 2020**



**PAUL MERCHANTS Ltd.<sup>®</sup>**  
(An ISO 9001:2015 Certified Co.) (CIN: L74900DL1984PLC018679)

[www.paulmerchants.net](http://www.paulmerchants.net)

<b><u>INDEX</u></b>	
<b>PARTICULARS</b>	<b>PAGE NO.</b>
NOTICE	7
DIRECTORS' REPORT	40
MANAGEMENT DISCUSSION & ANALYSIS REPORT	66
REPORT ON CORPORATE GOVERNANCE	133
GENERAL SHAREHOLDER INFORMATION	158
STAND ALONE FINANCIAL STATEMENTS - AUDITORS' REPORT	190
BALANCE SHEET	200
STATEMENT OF PROFIT & LOSS	201
CASH FLOW STATEMENT	203
NOTES TO FINANCIAL STATEMENTS	207
CONSOLIDATED FINANCIAL STATEMENTS - AUDITORS' REPORT	228
BALANCE SHEET	237
STATEMENT OF PROFIT & LOSS	238
CASH FLOW STATEMENT	240
NOTES TO FINANCIAL STATEMENTS	244

**CORPORATE INFORMATION**

<p><b>BOARD OF DIRECTORS</b></p> <p>Mr. Sat Paul Bansal, Chairman Cum Managing Director *                  Mr. Rajneesh Bansal, Executive Director **                  Mr. Sandeep Bansal, Non-Executive Director                  Mrs. Sarita Rani Bansal, Non-Executive Director                  Mr. Dharam Pal Sharma, Whole Time Director                  Mr. Vigyan Prakash Arora, Independent Director                  Mr. Dilbag Singh Sidhu, Independent Director                  Mr. Ajay Arora, Independent Director                  Mr. Arjun Pandurang Ghugal, Independent Director***                  Mr. Uma Shankar Paliwal, Independent Director****</p> <p>*He has resigned from his post w.e.f. 31-08-2020                  ** He has been appointed as Managing Director w.e.f. 01-09-2020 subject to approval of the shareholders in the ensuing Annual General Meeting (AGM).                  *** His term will expire at the ensuing AGM                  **** He has resigned from his post w.e.f. 16-08-2020</p> <p>Note: As the above change is to take effect from 01-09-2020 i.e. after the date of this Annual Report, at several places in this Report, the existing designation of Mr. Sat Paul Bansal and Mr. Rajneesh Bansal has been mentioned.</p> <p><b>REGISTERED OFFICE</b></p> <p>DSM 335, 336, 337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi -110015                  TEL: 011-48702000                  EMAIL: <a href="mailto:info@paulmerchants.net">info@paulmerchants.net</a></p> <p><b>CORPORATE OFFICE</b></p> <p>SCO 829-830, Sector 22-A, Chandigarh - 160 022                  TEL: 0172-5041786, 5025090                  FAX: 0172-5041713                  EMAIL- <a href="mailto:info@paulmerchants.net">info@paulmerchants.net</a>                  WEBSITE: <a href="http://www.paulmerchants.net">www.paulmerchants.net</a></p> <p><b>CIN:</b> L74900DL1984PLC018679</p> <p><b>WHOLLY OWNED SUBSIDIARIES</b></p> <p>PML Realtors (P) Ltd                  Paul Merchants Finance (P) Ltd</p> <p><b>Stock Exchange – BSE Ltd</b></p>	<p><b>STATUTORY AUDITORS</b></p> <p>M/S. Jain &amp; Associates                  Chartered Accountants                  S.C.O. 178, Sector 5, Panchkula</p> <p><b>INTERNAL AUDITOR</b></p> <p>CA Rajesh Garg</p> <p><b>SECRETARIAL AUDITOR</b></p> <p>Mr. Anil Negi</p> <p><b>CHIEF FINANCIAL OFFICER</b></p> <p>Mrs. Bhupinder Kaur</p> <p><b>COMPANY SECRETARY</b></p> <p>Mr. Hardam Singh</p> <p><b>PRINCIPAL BANKERS</b></p> <p>HDFC Bank                  State Bank Of India                  ICICI Bank                  Punjab National Bank                  Axis Bank                  Indusind Bank                  Yes Bank                  Oriental Bank Of Commerce</p> <p><b>REGISTRAR &amp; TRANSFER AGENT</b></p> <p>Alankit Assignments Limited,                  Corp. Office:- 1E/13, Jhandewalan Extn. New Delhi- 110055 (INDIA)                  Ph No. : 011-42541959</p> <p>Regd. Office: 205-208 Anarkali Complex Jhandewalan Extension New Delhi- 110055</p>
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**YEAR 2019-20 – AT A GLANCE (ON STAND ALONE BASIS)**

**MONEY EXCHANGE ACTIVITIES (FOREX)**

*Gross Turnover – Rs. 5343.68 Crores*

**TOURS & TRAVELS ACTIVITIES**

*Gross Turnover – Rs. 4.13 Crores*

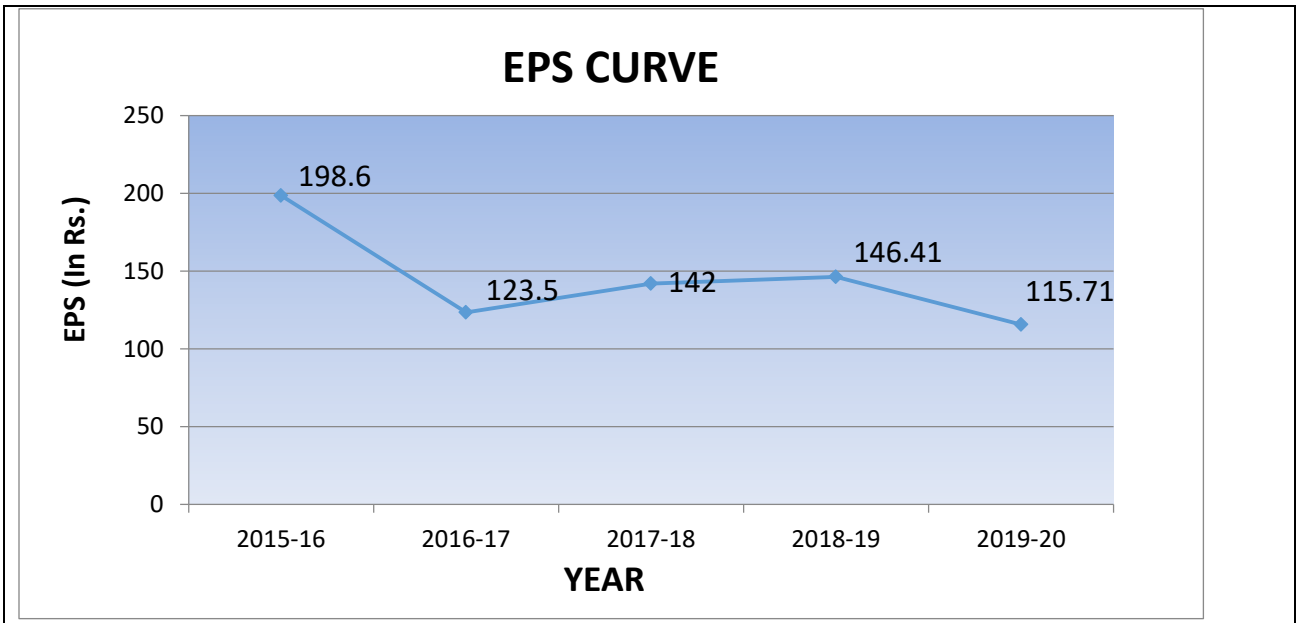
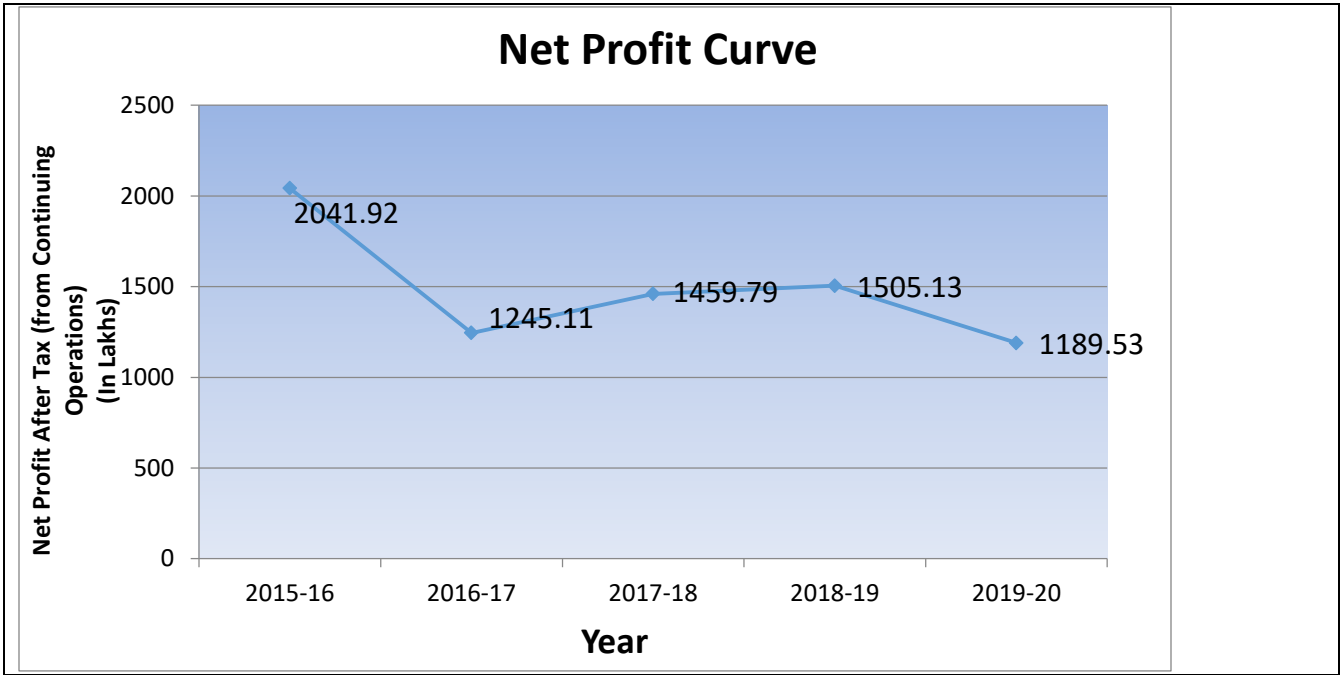
**OVERALL PERFORMANCE**

*Gross Revenues – Rs. 5357.68 Crores*

**PROFITABILITY**

*Net Profit Before Tax – Rs. 16.56 Crores*

*Net Profit After Tax – Rs. 11.90 Crores*



**LIST OF BRANCH OFFICES OF THE COMPANY**

S No	Region	Branch Name	STATE	Address of the branch
1	WEST	AHMEDABAD	GUJARAT	Shop No. 5, Ground Floor ,Pramukh Palace, Jai Hind Cross Roads, Maninagar, Ahemdabad 380008
2	WEST	AHMEDABAD	GUJARAT	7, Krishna Tower, Opposite Sachin Tower, Anand Nagar, 100 Ft. Ring Road , Ahmedabad - 380014
3	WEST	AHEMDABAD	GUJARAT	Gf 1, Mansuri House, Opp Behra-Munga School, Ashram Road,Ahmedabad - 380009
4	NORTH	AJNALA	PUNJAB	Main Chowk, Amritsar Road, Ajnala ,Distt Amritsar
5	NORTH	AMBALA	HARYANA	6351/14, 1St Floor , Nicholson Road, Punjabi Mohalla, Ambala Cantt , Haryana - 133001
6	NORTH	BANGA	PUNJAB	Ground Floor, Opp Civil Hospital, Main Road , Banga 144505
7	NORTH	BATALA	PUNJAB	SCO 309, Phagwara Chowk, Jalandhar Road, Batala
8	SOUTH	BANGALORE	KARNATAKA	No. 70, 1St & 2Nd Floor , 27Th Cross ,9Th Main 4Th Block , Jaya Nagar, Banglore - 560011
9	NORTH	BAGGAPURANA	PUNJAB	Shop No. 41 G/F, Bus Stand Market, Kotkapura Road , Baghapurana Distt Moga
10	NORTH	BHAGSUNATH	HIMACHAL PARDESH	Hotel Meghawan Resort ; Vpo Bhagsunag , Tehsil Dharamshala , Distt. Kangra , Himachal Pradesh 176219
11	NORTH	BHATINDA	PUNJAB	The Mall ,Hanuman Chownk , , Bathinda
12	NORTH	BIR	HIMACHAL PARDESH	Bir Tibetan Colony , Opposite Surya Classic Hotel , Village Chaugan , Teh Baijnath Distt. Kangra . Himachal Pradesh 176077
13	CENTRAL WEST	BHOPAL	MADHYA PRADESH	Shop No. G-15 , Deendayal Parisar, E-2 Area Colony , Bhopal , Madhya Pradesh
14	NORTH	BARNALA	PUNJAB	Sco B-Xi/207, K C Road, Barnala
15	NORTH	BATHINDA	PUNJAB	Ground Floor, Shap No 3039-A Sharma Complex, Power House Road , Opposite Traffic Police, Bathinda(Punjab)
16	NORTH	CHANDIGARH	CHANDIGARH UT	Sco No 829-830, Sector 22-A Chandigarh-160022
17	SOUTH	COCHIN	KERALA	No.1 & 2, First Floor, Corp No. 35/1460 C , Penta Estate, Janatha Junction, Palarivattom, Kochi - 682025
18	NORTH	DASUYA	PUNJAB	G.T Road , Near Punjab National Bank ,Dasuya
19	NORTH	MCLEODGANJ	HIMACHAL PARDESH	Shop No. 1 A , Glound Floor , Asian Plaza Complex , Opp Main Bus Stand Chowk , Main Square , Mcleodganj , Dharmshala , Himachal Pradesh 176219
20	NORTH	DLF DELHI	NEW DELHI	Dsm 335,336,337, 3Rd Floor , Dlf Tower, 15 Shivaji Marg, Najafgarh Road, Moti Nagar, New Delhi
21	NORTH	CP DELHI	NEW DELHI	Lgf 136 & Lgf 125 , World Trade Center, Babar Road , Connaught Place, New Delhi - 110001
22	NORTH	FARIDKOT	PUNJAB	Jubilee Cinema Chowk, Collage Road, Opp. Canera Bank, College Road ,Faridkot(Punjab)
23	NORTH	FEROZEPUR	PUNJAB	The Mall Raod,Shaheed Udham Singh Chowk Market, Opp. Axis Bank, Ferozpur City
24	NORTH	GARDHIWALA	PUNJAB	Shop No 08, Near College Canteen, Vpo Gardhiwal, Distt Hoshiarpur Punjab.

25	NORTH	GURGAON	HARYANA	B- 119, Supermart -1, DLF phase -4, Gurgaon, Haryana
26	NORTH	GARHSHANKAR	PUNJAB	Opp Sboop, Near Railway Station, Hoshiarpur Road, Garhshankar(Pb)
27	NORTH	GURDASPUR	PUNJAB	Shop No.1 Shivam Market, Opp Lic Office, G T Road ,Gurdaspur
28	NORTH	HOSHIARPUR	PUNJAB	Roshan Ground ,Near Bengali Sweet Shop, Phawara Chowk, Hoshiarpur
29	NORTH	HOSHIARPUR	PUNJAB	Near Cooperative Bank, Railway Road, Hoshiarpur 146001
30	SOUTH	HYDERABAD	TELANGANA	5 & 6 Upper Ground Floor, Liberty Plaza, Himayath Nagar, Hyderabad - 500029
31	CENTRAL WEST	INDORE	MADHYA PRADESH	U.G.1 Royal Ratan, 7 M.G. Road, Indore , Madhya Pradesh
32	CENTRAL WEST	JABALPUR	MADHYA PRADESH	Shop No. 7 - 8 , Narmada Plaza, Bloom Chowk, Shastri Bridge, Jabalpur, M.P
33	NORTH	JAGRAON	PUNJAB	Tehsil Road, Opp. Ssp Office, Jagraon, Distt Ludhiana
34	NORTH WEST	JAIPUR	RAJASTHAN	8,Katewa Bhawan,Opp. Ganpati Plaza,M.I.Road,Jaipur 302001
35	NORTH	JAMMU	JAMMU AND KASHMIR	81 -A Gole Market , Gandhi Nagar, Jammu.
36	NORTH	JALANDHAR	PUNJAB	Shop No 2 York Bulilding Bmc Chowk, Near Redission Hotel, Jalandhar
37	NORTH	KHANNA	PUNJAB	Ground Floor, Hardyal Complex , Near Jain Sweet Shop, Opp Bus Stand , Khanna
38	NORTH	KASOL	HIMACHAL PARDESH	Vpo Kasol , Teshil Bhunter , Distt Kullu , Himachal Pradesh
39	NORTH	LEH	JAMMU AND KASHMIR	Opposite Sbi , Leh Ladakh
40	NORTH	LPU PHAGWARA	PUNJAB	Shop No 309, Shopping Mall,Lovely Proessional University Campus, Jalandhar- Delhi Gt Raod Nh-1 Phawara Distt Kapurthala.
41	NORTH CENTRAL	LUCKNOW	UTTAR PRADESH	Shop No. 3 , 37, Cantt Road, Upper Ground Floor, Lucknow - 226001
42	NORTH	MAHILPUR	PUNJAB	Phagwara Road, Mahilpur, Distt Hoshiarpur
43	NORTH	MANALI	HIMACHAL PARDESH	Shop No.5 , Ram Bag , The Mall Manali , Distt. Kullu , Himachal Pradesh 175131
44	NORTH	MOHALI	PUNJAB	Booth No 17 Phase Vii Mohali
45	NORTH	MOGA	PUNJAB	Puri Complex , G T Road, Moga
46	WEST	MUMBAI	MAHARASHTRA	Shop No.8 , Chintamani Plaza , Andheri Kurla Road , Chakala , Andheri East , Mumbai - 400099
47	NORTH	NAKODAR	PUNJAB	Banwari Towers,G.F.,Opp Bus Stand,Near Oriental Insurance Nakodar , Distt Jalandhar
48	WEST	NADIAD	GUJARAT	Shop No.10, Municipal Shoping Centre, Opp Paras Cinema, Nadiad
49	NORTH	NOIDA	UTTAR PRADESH	Unit No. F3/22, 3Rd Floor, Plot No D6 , Wave Silver Tower , Sector 18 , Noida ( Up ) - 201301
50	NORTH	NAWANSHAHR	PUNJAB	Ground Floor, Ambedkar Chowk, Opp Rai Market,Nawanshahar
51	NORTH	PEHOWA	HARYANA	Opp Bus Stand, Near Chabbra Sweet House, Abmala Road, Pehowa - Haryana - 136128
52	NORTH	PHILLAUR	PUNJAB	Old Nawanshar Road, Phillaur,Punjab

53	NORTH	PHAGWARA	PUNJAB	#37, Lower Ground Floor, Honda City Centre , Opp. Bus Stand Phawara 144401 Distt Kapurthala
54	NORTH	PATHANKOT	PUNJAB	Sco No. 5 1St Floor, Dr. Spm Shopping Complex, Above Gange Mange Di Hatti, Opp. Ciy Centre Mall, Dalhousie Road Pathankot
55	NORTH	PATIALA	PUNJAB	Opp. Gurudwara Dukhniwaran Sahib, Passey Road, Patiala 1470001
56	WEST	RAJKOT	GUJARAT	Shop No.U 32 , Neptune Tower , Opp Jalaram Petrol Pump , Kalwad Road , Rajkot 360001
57	NORTH	SUNDER NAGAR	HIMACHAL PARDESH	Shop At Bhojpur , Abutting To Nh 21 , Mandi Road , Sunder Nagar , Himachal Pradesh 174401
58	NORTH	SUDHAR	PUNJAB	Kuldip Di Hutti, Mullanpur Road , Opp Nova Collections,, Sudhar Distt Ludhiana
59	WEST	SURAT	GUJARAT	Ward No.3 Nondh No. 4222 , Baranpuri , Opp Mohan Sweet, Bhagal Char Rasta , Bundelwal , Surat
60	NORTH	TANDA	PUNJAB	Deep Complex, Orrpsite Mc Office , Tanda (Punjab)
61	NORTH	TARN TARAN	PUNJAB	Guru Ram Dass Marg Char Khamba Chowk Opp Punjab & Sind Bank, Tarntaran
62	NORTH	UNA	HIMACHAL PARDESH	Shanti Bhawan , Near Rotary Chowk , Nangal Road , Una . Himachal Pradesh 174303
63	NORTH	URAPAR	PUNJAB	Opp Near Gurudwara Shaheed Ganj, Vpo.Urapar, Distt Nawashahar (Punjab)
64	WEST	VADODARA	GUJARAT	G 20 / P, The Emperor , Fatehgunj Main Road , Vadodara Gujarat 390002
65	NORTH CENTRAL	VARANASI	UTTAR PRADESH	Shop No.9, Mint House, Nadesar , Distt- Varanasi, Varanasi 221002
66	NORTH	SRI GANGANAGAR	PUNJAB	11,C Block,Gaushala Road,Birbal Chowk ,Opp. Tata Tanishq Jewellery Showroom Sriganganagar Rajasthan
67	NORTH	AMRITSAR	PUNJAB	Ground Floor, Shop No 5, Deep Cpmplex,Court Road, Opp. Doawa Automobiles, Amritsar-143001
68	NORTH	LUDHIANA	PUNJAB	Sco 14, 1St Floor , Green Park Avenue , Canal Colony Pakhowal Road Ludhinana
69	NORTH	ZIRAKPUR	PUNJAB	Sco No 3-4, Groung Floor, Shree Balaji, Complex, Patiala Raod, Zirakpur-140606
70	NORTH	KURUKSHETRA	HARYANA	SCO NO-39, SEC 17 MAIN MARKET KURUKSHETRA,
71	NORTH	KARNAL	HARYANA	DSS NO-207,SEC 12 PART 1,KARNAL,OPP Muthoot Finance
72	NORTH	RUP NAGAR	PUNJAB	SCO NO. 24 BEANT SINGH AMAN NAGAR, RUPNAGAR PART-2, DISTRICT RUPNAGAR
73	NORTH	MOGA	PUNJAB	SCO/SCF-24, GROUND FLOOR, LAL BAHADUR SHASTRI COMPLEX OF IMPROVEMENT TRUST, NEAR AXIS BANK, G T ROAD, MOGA, (PUNJAB)
74	NORTH	MCLEODGANJ	HIMACHAL PARDESH	SHOP. NO.1 & 2, MAIN SQUARE, MCLEODGANJ, DHARAMSHALA, DISTT. KANGRA



**NOTICE**

NOTICE is hereby given that 36<sup>th</sup> Annual General Meeting of the shareholders of M/s Paul Merchants Limited will be held on Tuesday, the 29<sup>th</sup> day of September, 2020 at 12.00 Noon (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Report of the Auditors thereon.
3. To appoint a Director in place of Sh. Dharam Pal Sharma (DIN 07284332) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sh Rajneesh Bansal (DIN 00077230) who retires by rotation and being eligible, offers himself for reappointment.
5. To confirm payment of Interim Dividend as Final Dividend on Equity Shares declared and paid by the Board of Directors, for the Financial Year 2019-2020
6. To appoint Auditors and to fix their remuneration and for this purpose to consider and, if thought fit, to pass the following resolution with or without modification(s) as an ordinary resolution:-

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the recommendation of the Audit Committee and the Board of Directors of the Company, M/s Rajiv Goel & Associates, Chartered Accountants (Firm Registration No. 011106N), SCO 823-824, 1<sup>st</sup> Floor, Sector 22-A, Chandigarh, be and are hereby appointed as Statutory Auditors of the Company, in place of retiring auditors M/s Jain & Associates, Chartered Accountants (Firm Registration No. 01361N) to hold office for a period of five years from the conclusion of this Thirty Sixth (36<sup>th</sup>) Annual General Meeting until the conclusion of the Forty First (41<sup>st</sup>) Annual General Meeting of the Company to be held in the year 2025 on a remuneration of Rs. 2,00,000/- (Rupees Two Lakhs Only) per annum plus GST as applicable and reimbursement of out-of-pocket expenses incurred, with authority to the Board of Directors of the Company, which will be deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution, to vary, alter and modify the terms and conditions governing the remuneration of the Statutory Auditors, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

**SPECIAL BUSINESS:**

7. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with Schedule V to the said Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable Rules made under the Act (including any Statutory modification(s) or re-enactment thereof for the time being in force), subject to the Articles of Association of the Company and subject to such other approvals and compliances as per the applicable provisions of the Act and other applicable Statutes, as may be necessary, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Sh. Rajneesh Bansal (DIN 00077230) as Executive Director w.e.f. 01-04-2020 and appointment as

Managing Director (a Whole Time Key Managerial Personnel) of the Company, not liable to retire by rotation, having substantial powers of management of the affairs of the Company w.e.f. 01-09-2020, for a term ending on 31-03-2025, on the following additional terms and conditions:-

- a. **Salary:-** Within the range of Rs. 66,00,000/- (Rupees Sixty Six Lakhs Only) per annum to Rs. 2,00,00,000/- (Rupees Two Crores Only) per annum w.e.f. 01.04.2020.
- b. **Commission:-** upto 3% of the Net Profits of the Company earned during any financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board.
- c. **Benefits:-** Monthly Rent Free accommodation + annual increase included in the remuneration range given above in (a). In addition, the Water/electricity in the said House shall also be borne by the Company on actual use basis. No other benefits, bonuses, stock options, pension, emoluments, allowances etc.
- d. **Service Contract period:-** 5 years i.e. from 01-04-2020 till 31-03-2025
- e. **Remuneration period :-** 3 years i.e. from 01-04-2020 till 31-03-2023
- f. **Notice Period:-** Three months.
- g. **Severance Fees:-** No severance fees is payable to him.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, Sh. Rajneesh Bansal (DIN 00077230) will be paid the Remuneration as specified above, subject to the provisions of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** with the payment of Remuneration as above to Sh. Rajneesh Bansal (DIN 00077230), Managing Director, the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year.

**RESOLVED FURTHER THAT** Liberty and Authority be and is hereby given to the Board of Directors of the Company, which will be deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution, to decide all questions arising out of this matter, to take all requisite steps to give effect to this resolution, to fix the remuneration within the above range and to vary, alter and modify the terms and conditions governing the appointment and remuneration of the Managing Director of the Company including allowing increments in Salary within the aforesaid range, as may be agreed to by the Board of Directors or Board Committee and the Managing Director Sh. Rajneesh Bansal (DIN 00077230) from time to time, subject to the provisions of all applicable Laws.”

**8. TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:**

“**RESOLVED** that pursuant to the Provisions of Section 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), Schedule V to the said Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable Rules made under the Act (including any Statutory modification(s) or re-enactment thereof for the time being in force), subject to the Articles of Association of the Company and subject to such other approvals and compliances as per the applicable provisions of the Act and other applicable Statutes, as may be necessary, the approval of the Members of the Company be and is hereby accorded to re-appointment of Mr. Dharam Pal Sharma (DIN 07284332), as Designated Whole Time Director of the Company, liable to retire by rotation, for a period of 5 (Five) years commencing from 01-04-2020 and ending with 31-03-2025 on the following additional terms and conditions:-

- a. **Salary:-** Within the range of Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand Only) per annum to Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) per annum w.e.f. 01.04.2020
- b. **Benefits:-** Performance Bonus within the above ceiling, as decided by Nomination and Remuneration Committee of the Board. Leave Encashment within the above ceiling as per the Company's Policy and Gratuity as per Payment of Gratuity Act;

- c. **Other Benefits:-** No other benefits, bonuses, stock options, pension, emoluments, allowances etc. will be payable to him during the term.
- d. **Service Contract period:-** 5 years i.e. from 01-04-2020 till 31-03-2025
- e. **Remuneration period :-** 3 years i.e. from 01-04-2020 till 31-03-2023
- f. **Notice Period:-** Two months;
- g. **Severance Fees:-** No severance fees is payable;
- h. **Fixed Component:** Fixed component is his salary;
- i. **Performance Linked Incentive:-** Performance Linked Incentive within the above ceiling, as recommended by Nomination and Remuneration Committee of the Board;

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, Mr. Dharam Pal Sharma (DIN 07284332) will be paid the Remuneration as specified above subject to the provisions of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** with the payment of Remuneration as above to Mr. Dharam Pal Sharma (DIN 07284332), the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year.

**RESOLVED FURTHER THAT** Liberty and Authority be and is hereby given to the Board of Directors of the Company, which will be deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution, to decide all questions arising out of this matter, to take all requisite steps to give effect to this resolution, to fix the remuneration within the above range and to vary, alter and modify the terms and conditions governing the remuneration of Mr. Dharam Pal Sharma (DIN 07284332) including allowing annual increments in his remuneration within the range defined in this Resolution, as may be agreed to by the Board of Directors or Board Committee and Mr. Dharam Pal Sharma (DIN 07284332), subject to the provisions of all applicable Laws.”

Place: Chandigarh  
Date: August 18, 2020

By order of the Board of Directors  
for **PAUL MERCHANTS LIMITED**

**HARDAM SINGH**  
**(COMPANY SECRETARY)**  
Membership No. FCS-5046  
12-D, Angel Apartments,  
Zirakpur (Pb)-140603

**NOTES:**

- (1) The Explanatory Statement as required under Section 102 of the Companies Act, 2013, in respect of item Nos. 6 to 8 of the Notice convening the Meeting is annexed hereto.
- (2) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has, vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 had permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and the said MCA and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. The special business proposed to be transacted at the ensuing AGM as set out in the Notice, has been considered as unavoidable by the Board of Directors of the Company. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 20. The deemed venue for the 36<sup>th</sup> AGM shall be the Registered Office of the Company.
- (3) Members holding shares in physical form are requested to notify/send the following, if not provided earlier, to the Registrar & Transfer Agent (RTA) of the Company M/s Alankit Assignments Limited, 1E/13, Jhandewalan Extn. New Delhi- 110055 (INDIA) Ph No. : 011-42541959:-
  - a. their bank account details by way of a cancelled cheque, in order to receive payment of dividend, whenever declared, through electronic mode.
  - b. copy of their self attested PAN
  - c. their email id, in case the same has not been sent earlier, for the purpose of receiving the communications including Annual Reports electronically
  - d. any change in their address/e-mail id/ECS mandate/ bank details
  - e. share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account
  - f. Members holding shares in dematerialized form are requested to notify to their Depository Participant :-
    - i. their email id.
    - ii. all changes with respect to their address, email id, ECS mandate and bank details.
- (4) The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose. The attention of the members is also invited to SEBI Circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20-04-2018, vide which SEBI has directed all the listed Companies to record the PAN and Bank account details of all their shareholders holding shares in physical mode through their RTA. Accordingly, your Company had initiated steps for registering the PAN details of all the shareholders (including joint holders, if any) and Bank Account details of the registered shareholders holding shares in physical form. Further, the attention of the members is also invited to Gazette Notification dated 08-06-2018 by SEBI, vide which SEBI has mandated that transfer of Securities of the Company would be carried out in dematerialized form only and has further mandated that with effect from 01-04-2019, it should be ensured that shares which are lodged for transfer shall be in dematerialized form only. Necessary communications to this effect had been sent by the RTA of the Company M/s Alankit Assignments Ltd. to all the Members of the Company. Members, holding shares in physical form are once again requested to convert their shares into dematerialized form soon to avoid any kind of inconvenience in future.
- (5) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at least 7 days before the date of AGM through email on [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net). The same will be replied by the Company suitably.
- (6) In accordance with Section 20 of the Companies Act, 2013, service of documents on members by a company is allowed through electronic mode. Further in compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/

Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.paulmerchants.net](http://www.paulmerchants.net) and the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL <https://www.evoting.cdsl.com> (Adobe PDF can be downloaded at <https://get.adobe.com/reader>). The copies of the Notice and Annual Report 2019-20 will also be available for inspection in electronic mode basis the request being sent on [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net).

- (7) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (8) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- (9) Pursuant to provisions of Section 124 of the Companies Act, 2013, the amount of dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Pursuant to the circular issued by the Ministry of Corporate Affairs (MCA) with respect to IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 dated May 10, 2012, the information of unclaimed and unpaid Dividend, up to the date it remained unpaid/unclaimed was duly filed by the Company with the Ministry of Corporate Affairs (MCA). MCA had also uploaded details of the same on its website at [www.iepf.gov.in](http://www.iepf.gov.in). Further, the information of unclaimed and unpaid Dividend as on 31.03.2020 in respect of Interim Dividend declared and paid by the Board of Directors of the Company for the Financial Year 2019-2020, shall be filed by the Company with the Ministry of Corporate Affairs (MCA) in due course. As on 31-03-2020, the Company has following unclaimed or unpaid dividend amount pertaining to dividends declared for the earlier financial years:-

Financial Year	No. of Shareholders	Amount of Unclaimed / Unpaid Dividend
Interim Dividend for the Financial Year 2019-2020	43	Rs. 21,732

The details of the aforesaid dividend is also uploaded on the website of the Company at <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2020/08/UNPAID-UNCLAIMED-DIVIDEND-31.03.2020-1.pdf>

- (10) In terms of Section 152 of the Companies Act, 2013, Sh. Rajneesh Bansal (DIN 00077230) and Sh Dharam Pal Sharma (DIN 07284332), Directors, retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment and the Board of Directors of the Company recommends their re-appointment. Their brief resumes are annexed with the Notice of the AGM as **Annexure-1A** and **Annexure-2A** respectively. Brief Resumes of other Directors proposed to be appointed/re-appointed including the ones whose remuneration is proposed to be approved, nature of their expertise in specific functional areas, disclosure of relationships between directors inter-se, names of listed entities in which the person also holds the directorship and the membership of Committees of the board, shareholding as stipulated under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and applicable Secretarial Standards are also annexed with the Notice of the AGM.
- (11) The Directors seeking appointment/reappointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Section 164(2) of the Companies Act, 2013 and other requisite declarations for their appointment / re-appointment. It may be noted that DIN of Sh. Sandeep Bansal (DIN 00094391), Director had been deactivated by the Ministry of Corporate Affairs w.e.f. 01.11.2017 due to the default committed by M/s Chandigarh Network Systems (P) Ltd, in filing the financial statements and annual returns with Registrar of Companies, which is not a group Company. Pursuant to the Writ Petition filed by Sh. Sandeep Bansal before the Hon'ble High Court of



- Punjab and Haryana, his disqualification as director has been stayed by the High Court vide its interim order dated 19-03-2019 and his DIN has also been activated.
- (12) All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection in electronic mode, basis the request being sent on [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net), up to the date of AGM. The Register of Directors and Key Managerial Personnel & their Shareholding, the Register of Contracts & Arrangements in which Directors are interested and Register of Members as maintained by RTA shall be open for inspection in electronic mode to any person having right to attend the AGM, basis the request being sent on [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net).
- (13) Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the RTA of the Company M/s Alankit Assignments Ltd the prescribed Form SH 13 for nomination and Form SH 14 for cancellation/ variation as the case may be. The Forms can be downloaded from Company's website [www.paulmerchants.net](http://www.paulmerchants.net) under "Investors" Section. Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.
- (14) Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 15-09-2020 to 21-09-2020 (both days inclusive) for the purpose of AGM. Further, the members who hold shares as on the Cut off date i.e. Tuesday, September 22, 2020 shall be entitled for voting (including remote e- voting) for the Annual General Meeting.
- (15) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (16) Members are advised to refer to the General Shareholders Information as provided in this Annual Report.
- (17) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM and vote on its behalf. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [kanwalcs@gmail.com](mailto:kanwalcs@gmail.com).
- (18) In terms of the provisions of Section 107 and 108 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through remote e-voting and by way of evoting during the AGM, the said resolutions will not be decided on a show of hands at the Meeting.
- (19) **E-VOTING:**
- a. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company is providing facility for voting by electronic means to its members to enable them to cast their votes electronically through remote e-voting (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting) and for this purpose the Company has engaged the services of Central Depository Services (India) Limited (CDSL). This remote e-voting facility is available on all resolutions set forth in this Notice and as such the business of the AGM may be transacted through such voting.
- b. The Company shall also provide facility for voting through e-voting system which shall be available during the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through evoting. Any member, who has cast his/ her/ its vote through remote e-voting, may attend AGM but shall not be entitled to vote again at the AGM.
- c. The voting period begins on 09:00 a.m. (IST) on Saturday, September 26, 2020 and ends on 05:00 p.m. (IST) on Monday, September 28, 2020. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22-09-2020 may cast their vote

- electronically. Remote e-voting shall not be allowed beyond the said date and time and the e-voting module shall be disabled by CDSL for voting thereafter.
- d. The members who have already cast their vote by remote e-voting, may also attend the meeting but shall not be entitled to cast their vote again.
  - e. The Board of Directors have appointed Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh as the Scrutinizer, for conducting the remote e-voting process and evoting at the AGM in a fair and transparent manner.
  - f. The cut-off date for the purpose of evoting (including remote e-voting) and for attending the AGM is after closing hours of Tuesday, 22<sup>nd</sup> September, 2020.
  - g. Members are requested to carefully read the instructions for remote e-voting before casting their vote.
  - h. The remote e-voting facility will be available during the following period after which the evoting portal shall forthwith be blocked and shall not be available for remote evoting:

<b>Commencement of remote e-voting</b>	Saturday, 09:00 a.m. (IST) on September 26, 2020
<b>End of remote e-voting</b>	Monday, 05:00 p.m. (IST) on September 28, 2020
<b>Cut Off date</b>	Tuesday, 22 <sup>nd</sup> September, 2020

- i. The procedure and instructions for remote e-voting are as under:

**In case of members receiving the Annual Report by email:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID.
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically

- (iv) Next enter the Image Verification Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vi) If you are a first time user, follow the steps given below.

Fill up the following details in the appropriate boxes:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. The sequence number shall be sent separately to the members.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
<p>Dividend Bank Details OR Date of Birth (DOB)</p>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</p>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the Electronic Voting Sequence Number (EVSN) for the Company "Paul Merchants Limited" on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forget Password & enter the details as prompted by the system.

**Note for Non – Individual Shareholders and Custodians**

- (xvii) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- (xviii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xix) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- (xx) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



- (xxi) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxii) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor.redressal@paulmerchants.net, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same

Members holding shares in physical mode or whose e-mail addresses are not registered, may cast their votes through e-Voting system, after registering their e-mail addresses by sending the following documents to the Company at investor.redressal@paulmerchants.net or to the RTA at [ramap@alankit.com](mailto:ramap@alankit.com):-

1. For Physical shareholders :- Please provide signed request letter containing necessary details like Folio No., Name of shareholder, number of shares held, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), any document (such as AADHAAR card / latest Electricity Bill / latest Telephone Bill / Driving License / Passport / Voter ID Card / Bank Passbook particulars) in support of the postal address of the Member as registered against their shareholding.
2. For Demat shareholders:- Please provide signed request letter containing necessary details like Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), any document (such as AADHAAR card / latest Electricity Bill / latest Telephone Bill / Driving License / Passport / Voter ID Card / Bank Passbook particulars) in support of the postal address of the Member as registered against their shareholding

Members, who hold shares in physical mode and already having valid e-mail addresses registered with the Company / the RTA, need not take any further action in this regard.

Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants

Members who have not registered their e-mail addresses with the Company, can also get the same registered by following the above process.

20. **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- (i) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 have permitted the holding of the Annual General Meeting ("AGM") through Video Conference (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with the Circulars issued by MCA and SEBI, the 36<sup>th</sup> AGM of the Company is being held through VC / OAVM
- (ii) Since this AGM is being held pursuant to the Circulars issued by MCA and SEBI through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
- (iii) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (iv) Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under

- shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- (v) Members are requested to join the Meeting through Laptops/ipads for better experience and will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connected via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches.
  - (vi) The facility of joining the AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the AGM and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc.
  - (vii) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from their registered email address in advance from September 23, 2020 (9.00 A.M. IST) to September 25, 2020 (5.00 P.M. IST) mentioning their name, demat account number/folio number, email id, mobile number at [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The shareholders who do not wish to speak during the AGM but have queries may send their queries from September 23, 2020 (9.00 A.M. IST) to September 25, 2020 (5.00 P.M. IST) from their registered email addresses mentioning their name, demat account number/folio number, email id, mobile number at [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net). These queries will be replied to by the company suitably.
  - (viii) Members who need technical assistance before or during the AGM can contact CDSL at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or Helpline no.: 1800225533

**21. INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) If any Votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.
- (iv) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**22. INSTRUCTIONS FOR E-VOTING FOR MEMBERS BECOMING MEMBER OF THE COMPANY AFTER THE DISPATCH OF NOTICE:-**

Any person, who acquires shares of the Company and becomes member of the Company after the Dispatch of Notice and holds shares as of the cut-off date i.e. 22-09-2020, may obtain the login id and sequence number by sending a request to RTA of the Company M/s Alankit Assignments Ltd, 1E/13, Jhandewalan Extn. New Delhi- 110055 (INDIA) Ph No. : 011-42541959 email id [ramap@alankit.com](mailto:ramap@alankit.com) or CDSL. However, if the said shareholder is already registered with CDSL for e-voting, then his existing user id and password can be used for casting the vote. If he has forgotten the password, he can reset his password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com).

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542). All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43. You may also contact Mr. Hardam Singh, Company Secretary cum Compliance Officer of the Company at [investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net) or at 0172-5041760 or Fax 0172-5041713 or at PML House, SCO 829-830, Sector 22-A, Chandigarh - 160022.

23. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on the cut off date i.e. 22-09-2020
24. Shareholders can also cast their vote using CDSL’s mobile App ‘CDSL m-Voting’ available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile
25. The scrutiniser shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than 24 Hours from conclusion of the meeting, a consolidated scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the results of the voting forthwith. The result of the e-voting shall be declared by the Chairman of the Meeting or any other person duly authorized by him in writing on Wednesday, September 30, 2020 at 2.00 PM at Corporate Office of the Company at SCO 829-830, Sector 22-A, Chandigarh – 160022.
26. The manner in which members have cast their votes, that is, affirming or negating the resolution, shall remain secret and not available to the Chairman, Scrutinizer or any other person till the votes are cast in the meeting.
27. The Scrutinizer’s decision on the validity of the vote shall be final and binding.
28. The result declared along with the Scrutinizer’s report shall be placed on the website of the Company ([www.paulmerchants.net](http://www.paulmerchants.net)) and on the website of CDSL ([www.cdslindia.com](http://www.cdslindia.com)) immediately after the result is declared and shall simultaneously be forwarded to the BSE Limited, where the Company’s shares are listed. The result of the voting, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not shall also be displayed on the Notice Board of the company at its Registered Office at New Delhi and its Corporate Office at Chandigarh.
29. The resolutions will be deemed to be passed on the date of AGM subject to receipt of requisite number of votes in favour of the resolutions.

Place: Chandigarh  
Date: August 18, 2020

By order of the Board of Directors  
for **PAUL MERCHANTS LIMITED**

**HARDAM SINGH**  
**(COMPANY SECRETARY)**  
**FCS-5046**  
12-D, Angel Apartments,  
Zirakpur (Pb)-140603

**EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 6**

Though not mandatory, this explanatory statement is provided for reference. M/s. Jain & Associates, Chartered Accountants (Firm Registration No. 01361N) were appointed as statutory auditors of the company in the 31<sup>st</sup> Annual General Meeting (AGM) of the Company held on 28-09-2015. Accordingly, they are holding office of the auditors up to the conclusion of the forthcoming 36<sup>th</sup> AGM of the Company and hence, would retire at the conclusion of the forthcoming 36<sup>th</sup> AGM. As per Section 139(2)(b)(ii) of the Companies Act, 2013 ('the Act'), an audit firm which has completed its term under clause (b) of the said section, shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term. Accordingly, M/s Rajiv Goel & Associates, Chartered Accountants (Firm Registration No. 011106N) are proposed to be appointed as statutory auditors of the company by the Shareholders of the Company, for a period of 5 years, commencing from the conclusion of the forthcoming 36<sup>th</sup> AGM till the conclusion of the 41<sup>st</sup> AGM of the Company. They will carry statutory audit of the books of accounts of the Company w.e.f. financial year 2020-21. M/s Rajiv Goel & Associates, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Further, the information pursuant to Regulation 36(5) of the SEBI LODR Regulations is given below:-

Proposed fees payable to the statutory auditor	Rs. 2,00,000/- (Rupees Two Lakhs Only) for Audit including Tax Audit
Terms of appointment	For a period of 5 years, commencing from the conclusion of the forthcoming 36 <sup>th</sup> AGM till the conclusion of the 41 <sup>st</sup> AGM of the Company
Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	None
Basis of recommendation for appointment	The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the appointment of M/s M/s Rajiv Goel & Associates, Chartered Accountants, as the Auditors of the Company. The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s Rajiv Goel & Associates to be best suited to handle the scale, diversity and complexity associated with the audit of

	the financial statements of the Company
Details in relation to and credentials of the statutory auditor(s) proposed to be appointed	M/s Rajiv Goel & Associates, Chartered Accountants (Firm Registration no. 011106N) was set up in 1991 having its head office at Chandigarh alongwith 3 branches at Ambala, Delhi and Kurukshetra. The firm has 10 partners aided by more than 50 qualified and trained staff members. The firm has a multi-lateral approach with specific focus on audit & assurance, direct & indirect taxation and financial advisory with multiple partners of the firm also being qualified as forensic auditors and Information System Auditors. The firm is empanelled with Reserve Bank of India and CAG and over the course of its existence of more than 28 years has served multiple public sector banks, public sector undertakings and large corporate and non corporate institutions in capacity as Statutory auditors as well as financial advisors while ensuring the highest standards of financial reporting and auditor independence.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 6 of the notice. The Board recommends the Resolution at Item No. 6 to be passed as an ordinary resolution.

#### **ITEM NO. 7**

The present term of Sh. Rajneesh Bansal (DIN 00077230), Executive Director of the Company was valid upto 31.03.2020. The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee had, subject to the Provisions of Sections 196, 197, 198 and all other applicable Provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V of the said Act, re-appointed Mr. Rajneesh Bansal (DIN 00077230) as the Executive Director of the Company for a period of 5 years w.e.f. 01-04-2020, subject to approval of the shareholders of the Company. Since Sh. Sat Paul Bansal had resigned from the post of Chairman cum Managing Director of the Company, the Board of Directors of the Company in its meeting held on 18-08-2020 had, on the recommendation of the Nomination and Remuneration Committee, appointed Sh. Rajneesh Bansal as Managing Director (Whole Time Key Managerial Personnel) of the Company with effect from 01-09-2020, for a term upto 31-03-2025, subject to the approval of the Shareholders of the Company.

The Board had fixed the remuneration of Sh. Rajneesh Bansal as set out in the Resolution at item no. 7 of the Notice w.e.f. 01-04-2020 and the overall range of the remuneration of Sh. Rajneesh Bansal (DIN 00077230) in both the portfolios is as per the said Resolution. The said remuneration and other terms and conditions as set out in the said Resolution may be treated as a written memorandum setting out the terms of re-appointment and appointment of Sh. Rajneesh Bansal under Section 190 of the Act. The Statutory Auditors of the Company have issued their certificate that the proposed transaction shall be at Arm's Length. The said Certificate has been appended at the end of the Explanatory Statement to this Notice as **Annexure 1-C**. The detailed conditions have been provided in the Resolution itself.



As per the requirements of Section 196 and 197 of the Companies Act, 2013 and the provisions of Schedule V thereto, the appointment/re-appointment of the Managing Director/Whole Time Directors and their remuneration is to be made with approval of the Shareholders in the General Meeting and it is further provided that except with the approval of the company in general meeting by a special resolution, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together. As the proposed remuneration of Sh. Rajneesh Bansal as Executive Director and then as Managing Director of the Company is likely to exceed 5% of the Net Profits and remuneration of all whole time directors, taken together is likely to exceed 10% of the net profits of the Company, the matter requires approval of the Shareholders of the Company by way of Special Resolution.

It is further provided in Schedule V to the Act that the Special Resolution passed for payment of remuneration to a managerial person at the general meeting of the company, should be for a period not exceeding three years. As such, while the re-appointment of Mr. Rajneesh Bansal to the post of Executive Director and then appointment as Managing Director of the Company is proposed to be approved for a term upto 31-03-2025, his remuneration shall be valid for 3 years, as spelt out in the Resolution set out at item no. 7 of the Notice.

It has been further provided in Regulation 17 (6) (e) of SEBI LODR Regulations that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- (i) the annual remuneration payable to such executive director exceeds Rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

As the proposed remuneration of Mr. Rajneesh Bansal as Executive Director and then as Managing Director of the Company along with other Executive Directors, taken together is likely to exceed 5% of the net profits of the Company, the matter requires approval of the Shareholders of the Company by way of Special Resolution.

Therefore, the re-appointment of Mr. Rajneesh Bansal as Executive Director and then his appointment as Managing Director of the Company and fixation of his salary is placed for approval of the Members of the Company at the ensuing Annual General Meeting. Therefore your Directors recommend the Resolution set out at Item no. 7 to be passed as Special Resolution.

The appointee Director Mr. Rajneesh Bansal may be treated as interested in this resolution, to the extent of his remuneration and other benefits arising out of this resolution. Further, Mr. Sat Paul Bansal, Mrs. Sarita Rani Bansal and Mr. Sandeep Bansal, Directors of the Company may also be treated as interested in this resolution as immediate relatives of Mr. Rajneesh Bansal and also as members of the same family. Further, Mrs Nita Bansal, who holds 5240 equity shares in the Company is also interested in this resolution as she is wife of Mr. Sandeep Bansal, Director of the Company. No other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice

As on date, Sh. Rajneesh Bansal holds 149746 (14.57%) Equity Shares in the Company and does not hold any Stock Options.

Further, as per Section 197 of the Act read over with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, some Parameters have been specified which are to be taken into account by the Shareholders while according their approval as given below:-

- (1) the Financial and operating performance of the company during the three preceding financial years.
- (2) the relationship between remuneration and performance.
- (3) the principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company.
- (4) whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference.
- (5) the securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.

As such your Directors have considered the above parameters in relation to re-appointment and fixation of remuneration of Mr. Rajneesh Bansal as Executive Director and then as Managing Director. The said proposal has also been approved by the Nomination and Remuneration Committee of the Board and by Audit Committee of the Board. The required information as per the above said parameters is given below:-

**(1) The Financial and operating performance of the company during the three preceding financial years.**

**On Standalone basis:-**

<b>PARTICULARS</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
Total Income	45,50,37,58,539	49,11,40,71,103	53,71,17,02,593
Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation)	24,90,91,212	17,65,08,096	20,80,08,609
Profit from Continued Operations before Tax	20,65,07,796	14,28,76,345	16,55,99,253
Profit from Discontinued Operations before Tax	2,59,75,475	-	-
Gain on Sale of Business Segment before Tax	2,55,66,50,931	-	-
Total Profit before Tax	2,78,91,34,202	14,28,76,345	16,55,99,253
Total Profit after Tax	2,13,08,89,806	15,05,13,276	11,89,52,746
Total Comprehensive Income	2,13,03,52,344	15,12,45,132	11,71,31,293

**On Consolidated basis :-**

<b>PARTICULARS</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
Total Income	45,55,65,05,874	49,29,89,18,083	54,06,07,75,841
Earnings before Interest, Depreciation and Tax and exceptional items (from continued Operations) )	26,19,39,555	28,23,00,742	40,74,36,158
Profit from Continued Operations before Tax	21,23,02,526	23,96,12,533	36,06,35,098
Profit from Discontinued Operations before Tax	2,59,75,475	-	-
Gain on Sale of Business Segment before Tax	2,55,66,50,931	-	-
Share in Profit of JV	8,37,009	9,01,480	-29,82,884
Total Profit before Tax	2,79,57,65,940	24,05,14,013	35,76,52,214
Total Profit after Tax	2,13,58,94,706	22,07,95,442	26,37,41,406
Total Comprehensive Income	2,13,53,57,244	22,08,46,932	26,14,49,333

**(2) The relationship between remuneration and performance:-**

The proposed remuneration as set out in item no. 7 of the Notice, is fully justified by the performance of Mr. Rajneesh Bansal as he has demonstrated Leadership skill, tact and initiative in Finance, New product lines, IT integration of business model and infra structure development. He has displayed exceptional financial prowess in developing the Forex and Travel verticals of the Company in conjunction with the company's goal & objectives. Further, the performance evaluation of the proposed appointee Mr. Rajneesh Bansal has been carried by Nomination and Remuneration Committee of the Board on 30-05-2020 and also by the Board of Directors on 25-06-2020. As such, the proposed remuneration to be paid to Mr. Rajneesh Bansal is fully justified. The payment of proposed Remuneration to him has been approved by the Board, Nomination and Remuneration Committee of the Board and also by Audit Committee of the Board.

**(3) The principle of proportionality of remuneration within the Company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the Company**

The Principle of proportionality followed in the Company is that Whole Time Directors of the Company are paid monthly remuneration and in case of Managing Director and Executive Director of the Company, commission based upon the net profits of the company is also paid. The rationale behind paying the commission to Managing Director/Executive Director is that the amount of profit earned by the Company in any financial year is directly linked to their strategy formulation, conduct of business, policy decisions and general management of the affairs of the Company. Independent Directors on the Board are paid Sitting Fee for the Board/Committee Meetings and reimbursement of travelling expenses is also made to them for attending Board / Committee Meetings. The sitting fee of the Independent Directors is decided by the Board based upon the qualification and experience of the individual directors. Further, the employees of the Company are paid remuneration based upon their qualification, experience and personal traits and their performance in the Company. Some categories of the staff are also paid incentives and variable salary which is based upon their performance. The remuneration of the directors and senior management people of the company is approved by the Nomination and Remuneration Committee of the Board. As a lot of subjective criteria is involved in fixation of remuneration of the directors and employees of the Company, arithmetic principle of proportionality of remuneration within the Company is difficult to be arrived at and for the same reason, any rating methodology is also difficult to be worked out.

**(4) Whether remuneration policy for directors differs from remuneration policy for the employees and if so, an explanation for the difference.**

As per the Nomination and Remuneration Policy of the Company, remuneration payable to the Whole Time Directors is based upon performance and is subject to the provisions of the Companies Act, 2013 and Articles of Association. The sitting fee payable to the independent directors is decided by the Board based upon the qualification and experience of the individual directors. The remuneration payable to Employees is based upon their knowledge, qualification, experience and performance. The reason for this differentiation is that remuneration to the Directors is governed by the provisions of the Companies Act, 2013 and Articles of Association of the Company and remuneration to the employees of the Company is based upon other factors as explained in the foregoing discussion and the same is also influenced by competitive factors.

**(5) The securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.**

As on 31-03-2020, Mr. Rajneesh Bansal held 149746 (14.57%) Equity Shares in the Company. Further he does not hold any Stock Options. Further, he has not pledged any shares as at the end of the preceding financial year i.e. 2019-20.



The information as required under para 1.2.5 of Secretarial Standard -2 is given under **Annexure 1-A** along with information pursuant to Regulation 36 (3) of the SEBI (LODR) Regulations, 2015, at the end of this Explanatory Statement. Information required under Part II of Schedule V to the Companies Act, 2013 is given as **Annexure 1-B**

**ITEM NO. 8**

The present term of Mr. Dharam Pal Sharma (DIN 07284332), Whole Time Director of the Company, was valid upto 31.03.2020. He has been appointed as Designated Director by the Board of Directors of the company in terms of RBI Regulations and therefore at many places in this Annual Report including the Resolution, has been mentioned as Designated Whole Time Director. The Board of Directors of the Company had, subject to the Provisions of Sections 196, 197, 198 and all other applicable Provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V of the said Act, re-appointed Mr. Dharam Pal Sharma (DIN 07284332) as the Designated Whole Time Director of the Company for a period of 5 years w.e.f. 01-04-2020, subject to approval of the shareholders. The Board had fixed the remuneration of Mr. Dharam Pal Sharma as set out in the Resolution at item no. 8 of the Notice w.e.f. 01-04-2020 and the said terms as set out in the Resolution may be treated as a written memorandum setting out the terms of re-appointment of Mr. Dharam Pal Sharma under Section 190 of the Act. The Statutory Auditors of the Company have issued their certificate that the proposed transaction shall be at Arm's Length. The said Certificate has been appended at the end of the Explanatory Statement to this Notice as **Annexure 2-C**. The detailed conditions have been provided in the Resolution itself.

As per the requirements of Section 197 of the Companies Act, 2013 and the provisions of Schedule V thereto, the appointment/re-appointment of the Managing Director/Whole Time Directors and their remuneration is to be made with approval of the Shareholders in the General Meeting and it is further provided that except with the approval of the company in general meeting by a special resolution, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together. As the proposed remuneration of Mr. Dharam Pal Sharma as Designated Whole Time Director of the Company along with remuneration of all whole time directors, taken together is likely to exceed 10% of the net profits of the Company, the matter requires approval of the Shareholders of the Company by way of Special Resolution.

It is further provided in Schedule V to the Act that the Special Resolution passed for payment of remuneration to a managerial person at the general meeting of the company, should be for a period not exceeding three years. As such, while the re-appointment of Mr. Dharam Pal Sharma is proposed to be approved for a term of 5 years, his remuneration shall be valid for 3 years, as spelt out in the Resolution set out at item no. 8 of the Notice.

Therefore, the re-appointment of Mr. Dharam Pal Sharma as Designated Whole Time Director of the Company and fixation of his salary is placed for approval of the Members of the Company at the ensuing Annual General Meeting. Therefore your Directors recommend the Resolution set out at Item no. 8 to be passed as Special Resolution.

The appointee Director Mr. Dharam Pal Sharma may be treated as interested in this resolution, to the extent of his remuneration and other benefits arising out of this resolution. No other Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice

As on date, Mr. Dharam Pal Sharma holds NIL Equity Shares in the Company and does not hold any Stock Options.

Further, as per Section 197 of the Act read over with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, some Parameters have been specified which are to be taken into account by the Shareholders while according their approval as given below:-

- (1) the Financial and operating performance of the company during the three preceding financial years.
- (2) the relationship between remuneration and performance.
- (3) the principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company.
- (4) whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference.
- (5) the securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.

As such your Directors have considered the above parameters in their meeting held on 18-08-2020 in relation to the re-appointment and fixation of remuneration of Mr. Dharam Pal Sharma. The said proposal has also been approved by the Nomination and Remuneration Committee of the Board and by Audit Committee of the Board. The required information as per the above said parameters is given below:-

- (1) **The Financial and operating performance of the company during the three preceding financial years.**

**On Standalone basis:-**

<b>PARTICULARS</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
Total Income	45,50,37,58,539	49,11,40,71,103	53,71,17,02,593
Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation)	24,90,91,212	17,65,08,096	20,80,08,609
Profit from Continued Operations before Tax	20,65,07,796	14,28,76,345	16,55,99,253
Profit from Discontinued Operations before Tax	2,59,75,475	-	-
Gain on Sale of Business Segment before Tax	2,55,66,50,931	-	-
Total Profit before Tax	2,78,91,34,202	14,28,76,345	16,55,99,253
Total Profit after Tax	2,13,08,89,806	15,05,13,276	11,89,52,746
Total Comprehensive Income	2,13,03,52,344	15,12,45,132	11,71,31,293

**On Consolidated basis :-**

<b>PARTICULARS</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
Total Income	45,55,65,05,874	49,29,89,18,083	54,06,07,75,841
Earnings before Interest, Depreciation and Tax and exceptional items (from continued Operations) )	26,19,39,555	28,23,00,742	40,74,36,158
Profit from Continued Operations before Tax	21,23,02,526	23,96,12,533	36,06,35,098
Profit from Discontinued Operations before Tax	2,59,75,475	-	-
Gain on Sale of Business Segment before Tax	2,55,66,50,931	-	-
Share in Profit of JV	8,37,009	9,01,480	-29,82,884
Total Profit before Tax	2,79,57,65,940	24,05,14,013	35,76,52,214
Total Profit after Tax	2,13,58,94,706	22,07,95,442	26,37,41,406
Total Comprehensive Income	2,13,53,57,244	22,08,46,932	26,14,49,333

**(2) The relationship between remuneration and performance:-**

The proposed remuneration as set out in item no. 8 of the Notice, is fully justified by the performance of Mr. Dharam Pal Sharma as he has been handling the Compliance Function in the Company in relation to Anti Money Laundering Laws, FEMA and RBI Regulations. Further, the performance evaluation of the proposed appointee Mr. Dharam Pal Sharma has been carried by Nomination and Remuneration Committee of the Board on 30-05-2020 and also by the Board of Directors on 25-06-2020. As such, the proposed remuneration to be paid to Mr. Dharam Pal Sharma is fully justified. The payment of proposed Remuneration to him has been approved by the Board, Nomination and Remuneration Committee of the Board and also by Audit Committee of the Board.

**(3) The principle of proportionality of remuneration within the Company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the Company**

The Principle of proportionality followed in the Company is that Whole Time Directors of the Company are paid monthly remuneration and in case of Managing Director and Executive Director of the Company, commission based upon the net profits of the company is also paid. The rationale behind paying the commission to Managing Director/Executive Director is that the amount of profit earned by the Company in any financial year is directly linked to their strategy formulation, conduct of business, policy decisions and general management of the affairs of the Company. Independent Directors on the Board are paid Sitting Fee for the Board/Committee Meetings and reimbursement of travelling expenses is also made to them for attending Board / Committee Meetings. The sitting fee of the Independent Directors is decided by the Board based upon the qualification and experience of the individual directors. Further, the employees of the Company are paid remuneration based upon their qualification, experience and personal traits and their performance in the Company. Some categories of the staff are also paid incentives and variable salary which is based upon their performance. The remuneration of the directors and senior management people of the company is approved/recommended by the Nomination and Remuneration Committee of the Board. As a lot of subjective criteria is involved in fixation of remuneration of the directors and employees of the Company, arithmetic principle of proportionality of remuneration within the Company is difficult to be arrived at and for the same reason, any rating methodology is also difficult to be worked out.

**(4) Whether remuneration policy for directors differs from remuneration policy for the employees and if so, an explanation for the difference.**

As per the Nomination and Remuneration Policy of the Company, remuneration payable to the Whole Time Directors is based upon performance and is subject to the provisions of the Companies Act, 2013 and Articles of Association. The sitting fee payable to the independent directors is decided by the Board based upon the qualification and experience of the individual directors. The remuneration payable to Employees is based upon their knowledge, qualification, experience and performance. The reason for this differentiation is that remuneration to the Directors is governed by the provisions of the Companies Act, 2013 and Articles of Association of the Company and remuneration to the employees of the Company is based upon other factors as explained in the foregoing discussion and the same is also influenced by competitive factors.

**(5) The securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.**

As on 31-03-2020, Mr. Dharam Pal Sharma, Designated Whole Time Director of the Company held NIL Equity Shares in the Company. Further he does not hold any Stock Options. Further, he has not pledged any shares as at the end of the preceding financial year i.e. 2019-20

The information as required under para 1.2.5 of Secretarial Standard -2 is given under **Annexure 2-A** along with information pursuant to Regulation 36 (3) of the SEBI (LODR) Regulations, 2015, at the end of this Explanatory Statement. Information required under Part II of Schedule V to the Companies Act, 2013 is given as **Annexure 2-B**

Place: Chandigarh  
Date: August 18, 2020

By order of the Board of Directors  
For **PAUL MERCHANTS LIMITED**

**HARDAM SINGH**  
**(COMPANY SECRETARY)**  
**FCS – 5046**  
12-D, Angel Apartments,  
Zirakpur (Pb)-140603

**Annexure 1-A**

**INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS-2 INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED**

<b>Name of Director</b>	Mr. Rajneesh Bansal
<b>Date of First (Original) Appointment on the Board:</b>	27-02-1999
<b>Date of Birth, Age</b>	27-07-1974, 46 Years
<b>Designation</b>	Executive Director till 31.08.2020, Managing Director w.e.f. 01-09-2020
It is proposed to approve re-appointment of Mr. Rajneesh Bansal as Executive Director of the Company w.e.f. 01-04-2020 and his appointment as Managing Director w.e.f. 01-09-2020 till 31-03-2025 on an Annual Remuneration within the range from Rs. 66,00,000/- (Rupees Sixty Six Lakhs Only) per annum to Rs. 2,00,00,000/- (Rupees Two Crore Only) per annum to be paid for the first three years commencing from 01-04-2020 and as other terms, as set out in the Special Resolution at Item no. 7 of the Notice and as explained in the Explanatory Statement to the said item.	
<b>Expertise including experience in Specific Functional Area:</b>	
Leadership skill, tact and initiative in Finance, New product lines, IT integration of business model and infra structure development. Displayed exceptional financial prowess in developing the Forex and Travel verticals of the Company in conjunction with the Company's goals & objectives.	
<b>Terms and Conditions of Re-appointment and Remuneration:</b>	
<b>Term</b>	Re-appointment of Mr. Rajneesh Bansal as Executive Director till 31.08.2020 and then as Managing Director of the Company w.e.f. 01-09-2020 is proposed to be approved by the shareholders for a term till 31-03-2025 on Annual Remuneration within the range from Rs. 66,00,000/- (Rupees Sixty Six Lakhs Only) per annum to Rs. 2,00,00,000/- (Rupees Two Crore Only) per annum to be paid for the first three years commencing from 01-04-2020, by the Shareholders of the Company in the ensuing Annual General Meeting. Other terms relating to his appointment are as set out in the Special Resolution at Item no. 7 of the Notice.
<b>Remuneration</b>	His last drawn remuneration during FY 2019-20 is as given below:-  a. Rs. 3,50,000/- (Rupees Three Lakhs Fifty Thousand Only) per month w.e.f. 01-04-2019 and a Rent Free Accommodation valued at Rs. 29,43,474/- which includes water and electricity charges on actual use basis.  b. Commission @ 2% of the Net Profits is payable at the end of the Financial Year as decided by the Nomination & Remuneration Committee. Accordingly, a sum of Rs.24,00,000/- has been paid to him on this account as decided by the Nomination & Remuneration Committee for the FY 2019-20.  Annual Remuneration paid to him during the FY 2019-20 is Rs. 95,43,474/-.
<b>Remuneration sought to be paid</b>	Salary within the range from Rs. 66,00,000/- (Rupees Sixty Six Lakhs Only) per annum to Rs. 2,00,00,000/- (Rupees Two Crore Only) per annum including Rent Free Accommodation valued within the said range to be paid for the first three years commencing from 01-04-2020. In addition, water/electricity charges in the said house shall be paid by the Company on actual use basis. In addition, Commission upto 3% of the Net Profits of the Company shall be paid to him as decided by the Nomination and Remuneration Committee of the Board.

<b>Qualification</b>	MBA from Victoria University of Technology, Melbourne, Australia.
<b>List of Other Directorships:-</b>	
1.	Paul Energy Projects Private Limited
2.	Paul Excursions Private Limited
3.	PML Holidays Private Limited
4.	Paul Merchants Finance Private Limited
5.	Paul Overseas Private Limited
6.	PML Realtors Private Limited
7.	Paul Fast Remit Private Limited
8.	Horizon Remit Sdn. Bhd.- A Joint Venture Company of Paul Merchants Limited in Malaysia
9.	All India Association of Authorized Money Changers and Money Transfer Agents
10.	Talk More Communications Private Ltd.
<b>Names of Listed Entities in which the person also holds the directorship</b>	1. Paul Merchants Limited
<b>Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd</b>	1. Member of Executive Committee 2. Member of Stakeholders Relationship Committee 3. Member of CSR Committee
<b>Chairmanship/Membership of the Committees of the Board of Directors of other Companies</b>	1. Member of Audit Committee of PML Realtors Private Limited 2. Member of Nomination & Remuneration Committee of PML Realtors Private Limited 3. Member of Audit Committee of Paul Merchants Finance Private Limited 4. Member of Nomination & Remuneration Committee of Paul Merchants Finance Private Limited 5. Member of CSR Committee of Paul Merchants Finance Private Limited
<b>Shareholding in the Company</b>	Holding 149746 Equity shares in his name representing 14.57% of total paid up equity capital of the Company as on date
<b>Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-</b>	
Mr. Rajneesh Bansal is son of Mr. Sat Paul Bansal, who is Chairman cum Managing Director of the Company till 31.08.2020 & Mrs. Sarita Rani Bansal, Director. He is brother of Mr. Sandeep Bansal, Director of the Company. He is not related to any other Director, Manager or Key Managerial Personnel of the Company.	
<b>No. of Meetings of Board attended during the FY 2019-20</b>	3
<b>Justification for Appointment and Remuneration:-</b>	
Mr. Rajneesh Bansal has over 20 years of diverse experience and has demonstrated his leadership skills, tact and initiative in conjunction with the company's goals & objectives. As a Director, he lends strategic inputs in Forex & Travel Divisions and third party products of the Company. As such, Board is of the opinion that considering his useful value addition to the decision making process of the Board, his appointment and remuneration is justified.	

Place: Chandigarh  
Date: August 18, 2020

By order of the Board of Directors  
for **PAUL MERCHANTS LIMITED**

**HARDAM SINGH**  
**(COMPANY SECRETARY)**  
**FCS-5046**  
12-D, Angel Apartments,  
Zirakpur (Pb)-140603



**Annexure 1-B**

The following detailed information as per Part– II of Schedule V is as follows:

<b>I. General information:</b>				
(1) Nature of industry	The Company operates principally in three business verticals Foreign Exchange, Tours & Travels and International Money Transfer.			
(2) Date or expected date of commencement of commercial production	The Company is already in existence, doing commercial operations since the year 1984. The Company had been granted Certificate of Commencement on 23rd July, 1984			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
(4) Financial performance based on given indicators	<b>STANDALONE BASIS:-</b>			
	<b>PARTICULARS</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
	Total Income	45,50,37,58,539	49,11,40,71,103	53,71,17,02,593
	Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation)	24,90,91,212	17,65,08,096	20,80,08,609
	Profit from Continued Operations before Tax	20,65,07,796	14,28,76,345	16,55,99,253
	Profit from Discontinued Operations before Tax	2,59,75,475	-	-
	Gain on Sale of Business Segment before Tax	2,55,66,50,931	-	-
	Total Profit before Tax	2,78,91,34,202	14,28,76,345	16,55,99,253
	Total Profit after Tax	2,13,08,89,806	15,05,13,276	11,89,52,746
	Total Comprehensive Income	2,13,03,52,344	15,12,45,132	11,71,31,293
	<b>CONSOLIDATED BASIS</b>			
	<b>PARTICULARS</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
	Total Income	45,55,65,05,874	49,29,89,18,083	54,06,07,75,841
	Earnings before Interest, Depreciation and Tax and exceptional items (from continued Operations )	26,19,39,555	28,23,00,742	40,74,36,158
	Profit from Continued Operations before Tax	21,23,02,526	23,96,12,533	36,06,35,098
	Profit from Discontinued Operations before Tax	2,59,75,475	-	-
	Gain on Sale of Business Segment before Tax	2,55,66,50,931	-	-
	Share in Profit of JV	8,37,009	9,01,480	-29,82,884
	Total Profit before Tax	2,79,57,65,940	24,05,14,013	35,76,52,214

	Total Profit after Tax	2,13,58,94,706	22,07,95,442	26,37,41,406
	Total Comprehensive Income	2,13,53,57,244	22,08,46,932	26,14,49,333
(5) Foreign investments collaborations, if any.	The share capital of the Company is entirely held by domestic Indian Bodies Corporate and Individuals, barring a fractional shareholding (0.11%) by NRI shareholders. Further, the Company has a Joint venture in Malaysia having 19.424% (Previous Year 19.424%) Equity stake in the said Joint Venture Company known as M/s Horizon Remit SDN BHD (formerly known as M/s Prabhu Remit SDN BHD). Weizmann Forex Ltd (CIN L65990MH1985PLC037697), Transcorp Enterprises Limited (CIN U65922RJ1995PLC010050) and Western Union Processing Limited, an Irish Limited Liability Company are the other partners in the said Joint Venture Company.			
<b>II. Information about the appointee:</b>				
(1) Background details	Mr. Rajneesh Bansal is 46 years of age and he is MBA from Victoria University of Technology, Melbourne, Australia. He has over 20 years of diverse experience and has demonstrated his leadership skills, tact and initiative in conjunction with the company's goals & objectives. As a Director, he lends strategic inputs in Forex & Travel Divisions and third party products of the Company. As such, Board is of the opinion that he will provide useful value addition to the decision making process of the Board and under his leadership, Direction and guidance the Company will reach new heights of success			
(2) Past remuneration	His remuneration during FY 2019-20 is as follows: a. Rs. 3,50,000/- (Rupees Three Lakhs Fifty Thousand Only) per month and a Rent Free Accommodation valued at Rs. 29,43,474/- which includes water and electricity charges on actual use basis. b. Commission @ 2% of the Net Profits is payable at the end of the Financial Year as decided by the Nomination & Remuneration Committee. Accordingly, a sum of Rs. 24,00,000/- has been paid to him on this account as decided by the Nomination & Remuneration Committee for the FY 2019-20. Annual Remuneration paid to him for the FY 2019-20 is Rs. 95,43,474/-.			
(3) Recognition or awards	Nil			
(4) Job profile and his suitability	Mr. Rajneesh Bansal is associated with the Company since 1990. His responsibilities as Executive Director of the Company include supervising Forex, Travel Division and third party products of the Company.  Mr. Rajneesh Bansal has over 20 years of diverse experience in the Company and has demonstrated his leadership skills, tact and initiative in conjunction with the company's goals & objectives. Keeping in view his excellent performance, the Board considers him as best suitable candidate for the position of Managing Director.  Keeping in view his excellent performance and contribution towards every sphere of the business of the Company and his valuable experience and on the recommendation of Nomination and Remuneration Committee and on the recommendation of Audit Committee the Board of Directors of the Company in its meeting held on 18-08-2020 had approved his appointment as Managing Director of the Company w.e.f. 01-09-2020 for a term till 31-03-2025 on the remuneration as specified in Special Resolution set out at item No. 7 of the Notice of the AGM.  The Board of Directors are of unanimous view that under his leadership, Direction and guidance, the Company will reach at a new heights of success			
(5) Remuneration proposed	The Remuneration proposed to be paid to Mr. Rajneesh Bansal is as per the details set out in the Special Resolution at Item No. 7 of the Notice.			
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details	There are no set standards for remuneration in the industry. The executive remuneration in the industry has been increasing significantly in last few years. Keeping in view the type /trends in the industry, size of the Company, the profile and responsibilities shouldered by Mr. Rajneesh Bansal, the Board believes that the remuneration proposed to be paid to him as Executive Director and then as			



would be with respect to the country of his origin)	Managing Director is appropriate and commensurate with the industry standards.  Further the remuneration proposed to be paid to him is in accordance with the Nomination and Remuneration Policy of the Company and as per the approval and recommendation of Nomination and Remuneration Committee of the Board.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Rajneesh Bansal's pecuniary relationship with the Company during the FY 2019-20 is detailed in <b>Annexure 1-B-(a)</b> to this report. He holds 149746 Equity shares in his name in the Share Capital of the Company as on date  Mr. Rajneesh Bansal is son of Mr. Sat Paul Bansal and Mrs. Sarita Rani Bansal, Directors of the Company. He is brother of Mr. Sandeep Bansal, Non-Executive Director of the Company. He is not related to any other Director, Manager or other Key Managerial Personnel of the Company.
<b>III. Other information:</b>	
(1) Reasons of loss or inadequate profits	The Company has been a consistent performer for the last almost two decades. However, the profit margins may remain inadequate particularly for the purpose of paying Managerial Remuneration due to the fact that in FY 2017-18, the Company sold its MTSS Division which was a prime contributor to the Revenues of the Company. At the moment, a major investment of the funds of the Company is in its Wholly Owned Subsidiary M/s Paul Merchants Finance (P) Ltd, which is in Gold Loan business and is doing fairly well in terms of Revenue and expansion. Further, the focus of the Company is to grow Forex and Travel Verticals and in the transitory period, there may be some strain on the profits of the Company. Further, COVID19 has impacted the revenues of the Company and its severe impact is likely to be reflected in the revenues of the Company during FY 2020-21.
(2) Steps taken or proposed to be taken for improvement	a. The Company has already started pursuing growth of Forex and Travel Verticals of the Company with a focused approach. b. The sale proceeds received from sale of MTSS Division of the Company have been channelized in productive avenues. c. Rationalization of unproductive expense heads is already underway
(3) Expected increase in productivity and profits in measurable terms	The objective and focus of the Board of Directors is to take the Company to heights in Forex and Travel Division. Towards this end, the company has already put in place the required roadmap and in the backdrop of the re-engineered business model, it is hoped to sustain the profitability in the FY 2020-21 and thereafter to grow its profitability in the vicinity of 10-15%.

**Annexure – 1-B-(a)**

<b>1. Nature of contracts/arrangements/ transactions</b>	Rent Agreement in respect of Shop No. 3, 4A,4B & 4C, Lower Ground Floor, Alfa Estate Building, Jalandhar	
<b>Duration of the contracts/ arrangements/ transactions</b>	01/04/2019 to 31/03/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	Rate of Rent	Rs. 39,672/- per month from 01.04.2019 to 31.03.2020
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
<b>Amount paid as advances, if any:</b>	Rent is paid in advance on monthly basis.	
<b>2. Nature of contracts/ arrangements/ transactions</b>	Rent Agreement in respect of Shop No. 1A, Ground Floor, Mcleodganj, Dharamshala	
<b>Duration of the contracts/arrangements/transactions</b>	01/04/2017 to 31/03/2020 and renewed thereafter w.e.f. 01/04/2020 to 31/03/2023	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	Rate of Rent	Rs. 73,467/- per month from 01.04.2019 to 31.03.2020
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
<b>Amount paid as advances, if any:</b>	Rent is paid in advance on monthly basis.	
<b>3. Nature of contracts/arrangements/ transactions</b>	Salary & Commission	

<b>Duration of the contracts/arrangements/ transactions</b>	01.04.2015 to 31.03.2020
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<p>i. Salary is payable per month and Rent Free accommodation</p> <p>ii. Commission @ 2% of the Net Profits is payable at the end of the FY on recommendation of the Nomination &amp; Remuneration Committee</p> <p>iii. Rent free accommodation valuing 29,43,474/-, which includes Water and Electricity charges on actual use basis.</p> <p>Annual Remuneration paid during the FY 2019-20 is Rs. 95,43,474/- including Commission.</p>

Place: Chandigarh  
Date: August 18, 2020

By order of the Board of Directors  
for **PAUL MERCHANTS LIMITED**

**HARDAM SINGH**  
**(COMPANY SECRETARY)**  
**FCS-5046**  
12-D, Angel Apartments,  
Zirakpur (Pb)-140603

**Annexure 1-C****JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS****S.C.O. 178, Sector 5, Panchkula  
Phone: 9876110632  
Email: [npnjain@gmail.com](mailto:npnjain@gmail.com)**

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**TO WHOM SO EVER THIS MAY CONCERN**

As per information, explanations and confirmations provided to us, we are of the opinion that the following Remuneration proposed to be paid to Mr. Rajneesh Bansal (DIN 00077230), who has been re-appointed by the Board of Directors as Executive Director till 31.08.2020 and then appointed as Managing Director of the Company Paul Merchants Limited w.e.f. 01-09-2020 subject to the approval of Shareholders, for a period of three (3) years with effect from 01-04-2020 alongwith other additional Terms and Conditions as described below, is fair and at Arm's Length:-

**REMUNERATION:**

- a. Salary within the range of Rs. 66,00,000/- (Rupees Sixty Six Lakhs Only) per annum to Rs. 2,00,00,000/- (Rupees Two Crores Only) per annum w.e.f. 01.04.2020;
- b. Commission:- upto 3% of the Net Profits of the Company earned during any financial year based upon his performance as decided by the Nomination and Remuneration Committee of the Board;
- c. Benefits:- Monthly Rent Free accommodation + annual increase included in the remuneration range given above in (a). In addition, the Water/electricity in the said House shall also be borne by the Company on actual use basis. No other benefits, bonuses, stock options, pension, emoluments, allowances etc.
- d. Service Contract period:- 5 years i.e. from 01-04-2020 till 31-03-2025
- e. Remuneration period :- 3 years i.e. from 01-04-2020 till 31-03-2023
- f. Notice Period:- Three months.
- g. Severance Fees:- No severance fees is payable to him.

**ADDITIONAL TERMS AND CONDITIONS:**

- a. In the event of absence or inadequacy of profits in any financial year, Mr. Rajneesh Bansal (DIN 00077230) will be paid the Remuneration as specified above subject to the provisions of Schedule V of the Companies Act, 2013.
- b. With the payment of Remuneration as above to Mr. Rajneesh Bansal (DIN 00077230), Managing Director, the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year.

**For JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No.- 01361N****(NEERAJ JAIN)  
PARTNER  
M. No. 089477**Date: 10/08/2020  
Place: Chandigarh

## Annexure 2-A

**INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS-2 INCLUDING THE INFORMATION OF DIRECTORS, WHOSE REMUNERATION IS BEING FIXED/VARIED**

<b>Name of Director</b>	Mr. Dharam Pal Sharma
<b>Date of First (Original) Appointment on the Board:</b>	09-11-2015
<b>Date of Birth, Age</b>	04-10-1954, about 65 Years
<b>Designation</b>	Designated Whole Time Director
<p>It is proposed to approve re-appointment of Mr. Dharam Pal Sharma as Designated Whole Time Director of the Company for another term of 5 years i.e. w.e.f. 01-04-2020 till 31-03-2025 on Annual Remuneration within the range from Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand Only) per annum to Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) per annum to be paid for the first three years commencing from 01-04-2020, as set out in the Special Resolution at Item no. 8 of the Notice and as explained in the Explanatory Statement to the said item.</p>	
<b>Expertise including experience in Specific Functional Area:</b>	
<p>Worked with Reserve Bank of India for more than 35 years &amp; retired as General Manager in October, 2014. While working with RBI, served in key areas such as Banking Supervision, Foreign Exchange Management and Human Resource Development. He also served as Administrator (Head) in international training program, Pune which is the training centre jointly run by International Monetary Fund (IMF) and RBI.</p>	
<b>Terms and Conditions of Re-appointment and Remuneration:</b>	
<b>Term</b>	Re-appointment of Mr. Dharam Pal Sharma as Whole Time Director & Designated Director of the Company is proposed to be approved by the Shareholders for another term of 5 years i.e. w.e.f. 01-04-2020 till 31-03-2025 on Annual Remuneration within the range from Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand Only) per annum to Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) per annum to be paid for the first three years commencing from 01-04-2020, by the Shareholders of the Company in the ensuing Annual General Meeting. Other terms relating to his re-appointment are as set out in the Special Resolution at Item no. 8 of the Notice.
<b>Remuneration</b>	His last drawn remuneration is as given below:-  He was paid a total remuneration of Rs. 8,77,649/- in the FY 2019-20
<b>Remuneration sought to be paid</b>	Salary within the range from Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand Only) per annum to Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) per annum to be paid for the first three years commencing from 01-04-2020.
<b>Qualification</b>	M.A. (Economics), Certified Associate of Indian Institute of Bankers (Part I), Diploma in Office Organization, Diploma in Business Management
<b>List of Other Directorships:-</b>	
NIL	
<b>Names of Listed Entities in which the person also holds the directorship</b>	Paul Merchants Limited

<b>Chairmanship/Membership of the Committees of the Board of Directors of Paul Merchants Ltd</b>	NIL
<b>Chairmanship/Membership of the Committees of the Board of Directors of other Companies</b>	NIL
<b>Shareholding in the Company</b>	Holding NIL Equity shares in his name as on date
<b>Relationship between directors inter-se and relationship with Manager and other Key Managerial Personnel of the Company:-</b>	
Mr. Dharam Pal Sharma is not related to any Director, Manager or Key Managerial Personnel of the Company	
<b>No. of Meetings of Board attended during the FY 2019-20</b>	4

**Justification for Appointment and Remuneration:-**

Mr. Dharam Pal Sharma has over 35 years of diverse experience while working with Reserve Bank of India and his experience of working in the departments like Banking Supervision, Foreign Exchange Management and Human Resource Development is very much in line with the activities of the Company. As such, Board is of the opinion that considering his useful value addition to the decision making process of the Board, his re-appointment and remuneration is justified.

Place: Chandigarh  
Date: August 18, 2020

By order of the Board of Directors  
for **PAUL MERCHANTS LIMITED**

**HARDAM SINGH**  
**(COMPANY SECRETARY)**  
**FCS-5046**  
12-D, Angel Apartments,  
Zirakpur (Pb)-140603

**Annexure 2-B**

The following detailed information as per Part– II of Schedule V is as follows:

<b>I. General information:</b>				
(1) Nature of industry	The Company operates principally in three business verticals Foreign Exchange, International Money Transfer and Tours & Travels.			
(2) Date or expected date of commencement of commercial production	The Company is already in existence, doing commercial operations since the year 1984. The Company had been granted Certificate of Commencement on 23 <sup>rd</sup> July, 1984			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
(4) Financial performance based on given indicators	<b>STANDALONE BASIS:-</b>			
	<b>PARTICULARS</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
	Total Income	45,50,37,58,539	49,11,40,71,103	53,71,17,02,593
	Earnings before Interest, Depreciation and Tax and exceptional items (from Continued operation)	24,90,91,212	17,65,08,096	20,80,08,609
	Profit from Continued Operations before Tax	20,65,07,796	14,28,76,345	16,55,99,253
	Profit from Discontinued Operations before Tax	2,59,75,475	-	-
	Gain on Sale of Business Segment before Tax	2,55,66,50,931	-	-
	Total Profit before Tax	2,78,91,34,202	14,28,76,345	16,55,99,253
	Total Profit after Tax	2,13,08,89,806	15,05,13,276	11,89,52,746
	Total Comprehensive Income	2,13,03,52,344	15,12,45,132	11,71,31,293
	<b>CONSOLIDATED BASIS</b>			
	<b>PARTICULARS</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
	Total Income	45,55,65,05,874	49,29,89,18,083	54,06,07,75,841
	Earnings before Interest, Depreciation and Tax and exceptional items (from continued Operations) )	26,19,39,555	28,23,00,742	40,74,36,158
	Profit from Continued Operations before Tax	21,23,02,526	23,96,12,533	36,06,35,098
	Profit from Discontinued Operations before Tax	2,59,75,475	-	-
	Gain on Sale of Business Segment before Tax	2,55,66,50,931	-	-
	Share in Profit of JV	8,37,009	9,01,480	-29,82,884
	Total Profit before Tax	2,79,57,65,940	24,05,14,013	35,76,52,214



	Total Profit after Tax	2,13,58,94,706	22,07,95,442	26,37,41,406
	Total Comprehensive Income	2,13,53,57,244	22,08,46,932	26,14,49,333
(5) Foreign investments collaborations, if any.	The share capital of the Company is entirely held by domestic Indian Bodies Corporate and Individuals, barring a fractional shareholding (0.03%) by NRI shareholders. Further, the Company has a Joint venture in Malaysia having 19.424% (Previous Year 19.424%) Equity stake in the said Joint Venture known as M/s Horizon Remit SDN BHD (formally M/s Prabhu Remit SDN BHD). Weizmann Forex Ltd (CIN L65990MH1985PLC037697), Transcorp Enterprises Limited (CIN U65922RJ1995PLC010050) and Western Union Processing Limited, an Irish Limited Liability Company are the other partners in the said Joint Venture Company.			
<b>II. Information about the appointee:</b>				
(1) Background details	Sh. Dharam Pal Sharma is aged about 65 years and have educational qualification of M.A. (Economics), Certified Associate of Indian Institute of Bankers (Part I), Diploma in Office Organization, Diploma in Business Management. He has been associated with the Company Paul Merchants Limited since 09.11.2015. He is a Whole Time Director of the Company. He is in overall supervision of the Compliance department of the Company.			
(2) Past remuneration	Remuneration paid to him during FY 2019-20 is as follows: a. Annual Remuneration: Rs. 7,73,160/- b. Annual Performance Bonus: Rs. 27,489/- c. Annual Incentive: Rs. 77,000/-			
(3) Recognition or awards	Nil			
(4) Job profile and his suitability	Sh. Dharam Pal Sharma, Whole Time Director (DIN 07284332) is associated with the Company since November, 2015. His responsibilities as Whole Time Director of the Company includes handling compliances relating to Anti Money Laundering Regulations, KYC Norms, RBI Act and allied activities with respect to business activities of the Company. Sh. Dharam Pal Sharma has over 35 years of diverse experience while working with Reserve Bank of India and his experience of working in the departments like Banking Supervision, Foreign Exchange Management and Human Resource Development is very much relevant with the activities of the Company. As such, Board is of the opinion that he provides useful value addition to the decision making process of the Board. Keeping in view his excellent performance, the performance evaluation done by Nomination and Remuneration Committee and the Board, the Board considers him as a suitable candidate for this job.			
(5) Remuneration proposed	The Remuneration proposed to be paid to Sh. Dharam Pal Sharma is as per the details set out in the Special Resolution at Item No. 8 of the Notice.			
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	There are no set standards for remuneration in the industry. The executive remuneration in the industry has been increasing significantly in last few years. Keeping in view the type /trends in the industry, size of the Company, the profile and responsibilities shouldered by Sh. Dharam Pal Sharma, the Board believes that the remuneration proposed to be paid to him as Whole Time Director is appropriate and commensurate with the industry standards.  Further the remuneration proposed to be paid to him is in accordance with the Nomination and Remuneration Policy of the Company and as per the approval and recommendation of Nomination and Remuneration Committee of the Board.			
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Sh. Dharam Pal Sharma's pecuniary relationship with the Company during the FY 2019-20 is detailed in <b>Annexure 2-B-(a)</b> to this report. He holds <b>NIL</b> Equity shares in his name or in the name of relatives in the Share Capital of the Company.			
<b>III. Other information:</b>				
(1) Reasons of loss or inadequate profits	The Company has been a consistent performer for the last almost two decades. However, the profit margins may remain inadequate particularly for the purpose of paying managerial remuneration due to the fact that in FY 2017-18, the Company sold its MTSS Division which was a prime contributor to the Revenues of the			

	Company. At the moment, a major investment of the funds of the Company is in its Wholly Owned Subsidiary M/s Paul Merchants Finance (P) Ltd, which is in Gold Loan business and is doing fairly well in terms of Revenue and expansion. Further, the focus of the Company is to grow Forex and Travel Verticals and in the transitory period, there may be some strain on the profits of the Company. Further, COVID19 has impacted the revenues of the Company and its severe impact is likely to be reflected in the revenues of the Company during FY 2020-21.
(2) Steps taken or proposed to be taken for improvement	a. The Company has already started pursuing growth of Forex and Travel Verticals of the Company with a focused approach. b. The sale proceeds received from sale of MTSS Division of the Company have been channelized in productive avenues. c. Rationalization of unproductive expense heads is already underway
(3) Expected increase in productivity and profits in measurable terms	The objective and focus of the Board of Directors is to take the Company to heights in Forex and Travel Division. Towards this end, the company has already put in place the required roadmap and in the backdrop of the re-engineered business model, it is hoped to sustain the profitability in the FY 2020-21 and thereafter to grow its profitability in the vicinity of 10-15%.

**Annexure – 2-B-(a) Sh. Dharam Pal Sharma**

<b>Salary &amp; Commission Paid to him</b>	<b>Duration of Contract (Tenure)</b>	<b>Amount paid during the FY 2018-19</b>
	From 09.11.2015 to 31.03.2020	Rs. 8,77,649/- (includes Salary, Leave Encashment, Incentive & Performance Bonus). No amount of Commission has been paid to him during the year.

Place: Chandigarh  
Date: August 18, 2020

By order of the Board of Directors  
for **PAUL MERCHANTS LIMITED**

**HARDAM SINGH**  
**(COMPANY SECRETARY)**  
**FCS-5046**  
12-D, Angel Apartments,  
Zirakpur (Pb)-140603

**Annexure -2-C****JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS****S.C.O. 178, Sector 5, Panchkula  
Phone: 9876110632  
Email [nnpnjain@gmail.com](mailto:nnpnjain@gmail.com)****TO WHOM SO EVER THIS MAY CONCERN**

As per information, explanations and confirmations provided to us, we are of the opinion that the following Remuneration proposed to be paid to Mr. Dharam Pal Sharma (DIN 07284332), Designated Whole Time Director of Paul Merchants Limited for a period of three (3) years w.e.f. 01-04-2020 alongwith other additional Terms and Conditions as described below is fair and at Arm's Length:-

**REMUNERATION:**

- a. Salary: -Within the range of Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand Only) per annum to Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) per annum w.e.f. 01.04.2020
- b. Benefits:- Performance Bonus within the above ceiling, as decided by Nomination and Remuneration Committee of the Board. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. will be payable to him during the term.
- c. Other Benefits:- Leave Encashment within the above ceiling as per the Company's Policy and Gratuity as per Payment of Gratuity Act;
- d. Service Contract period:- 5 years i.e. From 01-04-2020 till 31-03-2025;
- e. Remuneration period :- 3 years i.e. from 01-04-2020 till 31-03-2023
- f. Notice Period:- Two months;
- g. Severance Fees:- No severance fees is payable;
- h. Fixed Component: Fixed component is his salary;
- i. Performance Linked Incentive:- Performance Linked Incentive within the above ceiling, as decided by Nomination and Remuneration Committee of the Board;

**ADDITIONAL TERMS AND CONDITIONS:**

- a. In the event of absence or inadequacy of profits in any financial year, Mr. Dharam Pal Sharma (DIN 07284332) will be paid the salary and perquisites as specified above subject to the provisions of Schedule V of the Companies Act, 2013.
- b. With the payment of Remuneration as above to Mr. Dharam Pal Sharma (DIN 07284332), the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013 in any Financial Year.

**For JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No.- 01361N****(NEERAJ JAIN)  
PARTNER  
M. No. 089477**Date: 24/01/2020  
Place: Chandigarh

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting before you their 36<sup>th</sup> Annual Report together with the Audited Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March, 2020.

**FINANCIAL SUMMARY/HIGHLIGHTS:-**

The financial summary of the Company for the year under review is given below for your consideration:-

<b>PARTICULARS</b>	<b>2019-20 (Amount in Rs.)</b>	<b>2018-19 (Amount in Rs.)</b>
Gross Income	53,71,17,02,593	49,11,40,71,103
Profit Before Interest and Depreciation	20,80,08,609	17,65,08,096
Interest	13,12,622	10,41,101
Profit after Interest before Depreciation	20,66,95,987	17,54,66,995
Provision for Depreciation	2,81,79,618	3,25,90,650
Exceptional Items	1,29,17,116	-
Net Profit Before Tax	16,55,99,253	14,28,76,345
Provision for Tax	3,41,79,287	2,22,62,613
Deferred Tax	1,24,67,220	-2,98,99,544
Net Profit After Tax	11,89,52,746	15,05,13,276
Other Comprehensive Income/(Loss) (net of tax)	-18,21,453	7,31,855
Total Comprehensive Income (net of tax) (Transferred to Reserves and Surplus)	11,71,31,293	15,12,45,132
Balance of Surplus brought forward	3,78,40,49,087	3,63,28,03,955
Reserves and Surplus	3,89,91,24,380	3,78,40,49,087
Proposed Dividend on Equity Shares	Nil. Interim Dividend of Rs 20.56 Lakhs paid during the year is proposed to be confirmed as Final by the shareholders.	NIL

**STATE OF COMPANY'S AFFAIRS/ BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/HIGHLIGHTS/OPERATIONS IN TERMS OF SECTION 134 (3)(i) OF THE COMPANIES ACT, 2013**

The Company operates principally in three business verticals Foreign Exchange, Tours & Travels and International Money Transfer. During the year under review, Gross revenue from Foreign Exchange Services stood at Rs. 5343.68 Crores and from Tours & Travel Segment stood at Rs. 4.13 Crores. Gross revenue from International Money Transfer stood at Rs. 71.65 Lakhs. The Profit before tax stood at Rs. 16.56 Crores and Profit after tax stood at Rs.11.90 crores after adjusting for deferred Tax. For further

details, kindly refer to the Financial Statements, Management Discussion & Analysis Report at **Annexure D-3** and Corporate Governance Report at **Annexure D-10** which forms part of this report.

### **COVID-19**

In the month of March, 2020, due to the announcement of Lockdown/Curfew in various States/Union Territories by the State/Union Government(s) in order to prevent and contain the spread of Covid-19 (Corona Virus) and keeping in view the safety and well being of the employees, the Company Paul Merchants Limited and its Wholly Owned Subsidiary Company Paul Merchants Finance Private Limited ('PMFPL') had temporarily closed its Registered Office and Branches across India w.e.f. 23<sup>rd</sup> March, 2020. However the Company managed to keep its treasury, accounts and back office teams operational due to work from home arrangements and some part of Gold loan operations was also sustained by the Wholly Owned Subsidiary. The spread of covid-19 and consequent closure of branches had adversely affected the Company's top line as well as bottom line. At that time, the Company was left with only 20% of forex business and Travel business was almost NIL. However, in accordance with the Guidelines/ Compliance norms issued/ suggested by the Central Government, State Governments and local authorities from time to time, the Company Paul Merchants Limited and its Wholly Owned Subsidiary Company Paul Merchants Finance Private Limited gradually started opening its branches in various states and as of now, full operations have been started. In terms of Regulation 30 of SEBI LODR Regulations, 2015, the Company duly filed its disclosures relating to disruption in the operations due to COVID vide its letter dated March 24, 2020, Letter dated May 12, 2020, Letter dated May 26, 2020, Letter dated June 24, 2020 and Letter dated July 10, 2020 with BSE Ltd.

### **EXTRACT OF ANNUAL RETURN**

In terms of Section 134 (3)(a) of the Companies Act, 2013 (hereinafter to be referred to as Act) the extract of Annual Return as on March 31, 2020 as referred to in sub section (3) of Section 92 has been annexed to this Report as **Annexure D-3A** and the same is placed on the Website of the Company along with Annual Return under weblink <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2020/08/MGT-9-MGT-7.pdf>

### **NUMBER OF MEETINGS OF BOARD**

The information in terms of Section 134(3)(b) of the Act is given below:-

During the Financial year 2019-20, 4 (Four) Board Meetings were held and 1 (One) Independent Directors meeting was held on 13-02-2020. The dates on which the Board Meetings were held are 14-05-2019, 06-08-2019, 14-11-2019 and 13-02-2020. Further details as required under Part C of Schedule V to the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the Corporate Governance Report as **Annexure D-10**, forming part of this Annual Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT:-**

Pursuant to Section 134 (3) (c) read over with Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **FRAUDS REPORTED BY AUDITORS**

In terms of Section 134 (3)(ca) of the Act, there are no frauds reported by auditors under sub-section (12) of section 143 including those which are reportable to the Central Government.

#### **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

It is hereby stated in terms of Section 134 (3)(d) of the Act, that all Independent Directors of the Company have given declarations that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 read over with Regulation 16(1)(b) and 25 of SEBI (LODR) Regulations, 2015. They have also given a declaration that their respective names have already been included in the data bank maintained by the Indian Institute of Corporate Affairs at Manesar and as such they are in compliance of sub-rule (1) and sub-rule (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

#### **POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION**

Pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board Members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMPs and other employees is attached as **Annexure D-2** as Nomination and Remuneration Policy, which forms part of this report.

#### **EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE :-**

##### **(i) by the Auditor in his report:-**

M/s Jain & Associates (Firm Regn. No. 01361N), Chartered Accountants, Chandigarh, were appointed as Statutory Auditors of the Company at the 31<sup>st</sup> Annual General Meeting held on 28<sup>th</sup> September, 2015 for a term of five consecutive years. The appointment of the Statutory Auditors had been ratified by the Shareholders in their 34<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September, 2018 upto the end of their term i.e. till the conclusion of 36<sup>th</sup> Annual General Meeting of the Company. As their term expires in the ensuing Annual General Meeting of the Company, the Board of Directors had recommended M/s Rajiv Goel & Associates, Chartered Accountants (Firm Registration No. 011106N) in their place, to be appointed by the shareholders of the Company in the ensuing Annual General Meeting

The Auditors' Report being self-explanatory, requires no comments from the Directors. Further, there are no reservations, qualifications, disclaimers, adverse remarks or Modified opinion in the Audit Reports issued by them in respect of Standalone as well as Consolidated Financial Statements of the Company for the Financial Year 2019-20.

##### **(ii) by the Company Secretary in practice in his Secretarial Audit Report:-**

Mr. Anil Negi, a Company Secretary in practice having CP no. 17213 and Membership no. 46547 was appointed as Secretarial Auditor of the Company for the financial year 2019-20 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR-3 is attached as **Annexure D-5** and forms part of this report.

There are no qualifications, reservations, adverse remarks or disclaimer by the Secretarial Auditors in the Report issued by them for the financial year 2019-20 which call for any explanation from the Board of Directors.



Further, there was one material unlisted subsidiary of the Company M/s Paul Merchants Finance (Pvt) Limited during the Financial Year 2019-20 under review. As such, Secretarial Audit Report of the said material unlisted subsidiary has been annexed to this Annual Report as **Annexure D-5A** as required under Regulation 24A of SEBI LODR Regulations. There are no qualifications, reservations, adverse remarks or disclaimer by the Secretarial Auditors in the Report issued by them for the financial year 2019-20 which call for any explanation from the Board of Directors.

#### **PARTICULARS OF LOANS, GUARANTEES, SECURITIES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Pursuant to Section 134(3)(g) of the Act particulars of loans, guarantees, Securities and Investments under Section 186 of the Act made during the Financial Year 2019-20 are attached as **Annexure D-8** which forms part of this report. Further reference in this regard can be made to Note 2, 6, 9,10,11 and 35 to the Financial Statements for further details.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013**

With reference to Section 134(3)(h) of the Act read over with Rule 8(2) of the Companies (Accounts) Rules, 2014, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year were on an arm's length basis. In the opinion of the Board these transactions are justified to be executed. The details of these transactions is given in Form AOC-2, annexed as **Annexure D-9**, which forms part of this report. All the said transactions were done with prior approval of the Audit Committee and the Board. The transactions entered into pursuant to the omnibus approval of the Audit Committee were also placed regularly before the Audit Committee for its review.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' according to the policy of the Company on Materiality of Related Party Transactions. Your attention is also drawn to the Related Party disclosures set out in Note no. 38 of the Financial Statements for further details.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Annexure-24-A-Policy-on-Related-Party-Transaction.pdf>

#### **RESERVES:-**

Entire amount of Net Profit of Rs. 11,89,52,746/- has been transferred to the Reserves under the head "Other Equity" in the Balance Sheet. No amount has been transferred or proposed to be transferred to any other reserves.

#### **DIVIDEND:-**

For FY 2019-20, based on the Company's performance, the Directors had declared and paid an interim dividend of Rs. 2/- per equity share (20%) on 1028000 equity shares held by the shareholders of the Company. The item relating to the said interim dividend is placed before the shareholders to be confirmed as Final Dividend in the ensuing Annual General Meeting.

#### **MATERIAL CHANGES AND COMMITMENTS**

The onset of COVID-19 and its impact has been discussed at the beginning of this report under the heading "COVID19". There are no other material changes or commitments, effecting the Financial position of the Company happening between the end of the Financial Year of the Company, to which the Financial

Statements relate and date of this Report. Hence, information as required in terms of Section 134(3)(l) of the Act is nil.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

The requisite information in terms of Section 134(3)(m) of the Act read over with Rule 8(3) of Companies (Accounts) Rules, 2014 has been given by way of an **Annexure D-1** to this Report.

**STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY IN TERMS OF SECTION 134(3)(n) OF THE ACT**

The Company has in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically as per the Risk Management Policy of the Company. A Management Committee named as Risk Management Committee, voluntarily constituted by the Board of Directors is also in place with the responsibility of preparation of Risk Management Policy, reviewing and monitoring the same on regular basis, to identify and review critical risks on regular basis, to update the Risk management on quarterly basis, to report key changes in critical risks to the Management on an ongoing basis and such other functions as may be prescribed by the Board. The Company has formulated Risk Management Policy which provides an overview of the principles of risk management, explains the approach adopted by the Company for risk management, defines the organizational structure for effective risk management, develops a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions, identify, assess, manage and mitigate existing and new risks including the elements of risk that may threaten the existence of the Company, in a planned and co-ordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets. The Risk Management Committee holds periodical meetings to review the critical risks identified. The risks faced by the Company and their minimization procedures are assessed categorically under the broad heads of High, Medium and Low risks. Further, the Company identifies risks and control systems are instituted to ensure that the risks in each business process are minimized/mitigated. The Board provides oversight and reviews the Risk Management Policy periodically.

**THE DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY, INITIATIVES TAKEN DURING THE YEAR IN TERMS OF SECTION 134(3)(o) OF THE ACT:-**

In terms of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee of the Board and the said Committee has following composition as on March 31, 2020:-

1	Sh. Sandeep Bansal	Non Executive Director, Chairman
2	Sh. Rajneesh Bansal	Executive Director, Member
3	Sh. Vigyan Prakash Arora	Independent Director, Member

Other details of the Committee and CSR Policy is furnished in the Report on Corporate Governance, which is annexed herewith as **Annexure D-10**. The details about the policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year in the form of CSR Policy is also available on the website of the Company <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2020/07/CORPORATE-SOCIAL-RESPONSIBILITY-POLICY.pdf>. The Annual Report on CSR activities is furnished in **Annexure D-7**, which forms part of this report.

**A STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS HAS BEEN MADE IN TERMS OF SECTION 134(3)(p) OF THE ACT READ OVER WITH RULE 8(4) OF THE COMPANIES (ACCOUNTS) RULES, 2014:-**

Pursuant to the applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has put in place a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. Accordingly, following is the criteria for evaluation:-

a. **Criteria for evaluation of the Board of Directors as a whole:**

- i. The Frequency of Meetings
- ii. Quantum of Agenda
- iii. Administration of Meetings
- iv. Flow and quantity of Information from the Management to the Board
- v. Number of Committees and their role.
- vi. Overall performance of the Company

b. **Criteria for evaluation of the Board Committees**

- i. The Frequency of Meetings
- ii. Quantum of Agenda
- iii. Administration of Meetings
- iv. Flow and quantity of Information from the Management to the Committee
- v. Role of Committees.
- vi. Contribution to the decision making process of the Board.

c. **Criteria for evaluation of the Individual Directors including Independent Directors:**

- i. Experience and ability to contribute to the decision making process
- ii. Problem solving approach and guidance to the Management
- iii. Attendance and Participation in the Meetings
- iv. Personal competencies and contribution to strategy formulation
- v. Contribution towards statutory compliances, monitoring of controls and Corporate Governance
- vi. The evaluation of independent directors shall be done by the entire board of directors which shall include –
  - a. Performance of the directors; and
  - b. fulfillment of the independence criteria as specified in these regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

Accordingly, the annual performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors has been carried by the Board in its Meeting held on 25-06-2020 in terms of the provisions of Section 134 (3) (p) of the Companies Act, 2013 read over with Rule 8(4) of Companies (Accounts) Rules, 2014 as per above criteria. The performance evaluation of all the Independent Directors have been done by the entire Board and while doing so, the Director subject to evaluation had not participated. On the basis of performance evaluation done by the Board, it is determined whether to extend or continue their term of appointment, whenever their respective term expires.

The Independent Directors had met separately on 13-02-2020 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance, performance of the entire Board of the Company as a whole and all its Committees.

The Directors express their satisfaction over the evaluation process.

**CHANGE IN THE NATURE OF COMPANY'S BUSINESS**

There is no change in the nature of Company's business or generally in the class of business in which the Company has an interest, during the year under review. Hence, information required in terms of Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is nil.

**DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR, IN TERMS OF RULE 8(5)(iii) OF THE COMPANIES (ACCOUNTS) RULES, 2014:-****DIRECTORS**

During the year under review, Mr. Sat Paul Bansal (DIN 00077499) had been re-appointed as the Chairman cum Managing Director of the Company by the Shareholders in their Annual General Meeting held on 30-09-2019.

Smt Sarita Rani Bansal (DIN 00094504), who was liable to retire by rotation, was re-appointed as Director by the Shareholders in their Annual General Meeting held on 30-09-2019.

Sh Sandeep Bansal (DIN 00094391), who was liable to retire by rotation, was re-appointed as Director by the Shareholders in their Annual General Meeting held on 30-09-2019.

Mr. Dilbag Singh Sidhu (DIN 05210193), had been re-appointed as Independent Director of the Company by the Shareholders in their Annual General Meeting held on 30-09-2019.

Mr. Vigyan Prakash Arora (DIN 00806647), had been re-appointed as Independent Director of the Company by the Shareholders in their Annual General Meeting held on 30-09-2019.

Mr. Ajay Arora (DIN 00314161), had been re-appointed as Independent Director of the Company by the Shareholders in their Annual General Meeting held on 30-09-2019.

Further, in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Sh. Dharam Pal Sharma (DIN 07284332) and Sh Rajneesh Bansal (DIN 00077230), Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. Sat Paul Bansal (DIN 00077499) resigned from the position of Chairman cum Managing Director w.e.f. 31/08/2020.

The Board of Directors of the Company had re-appointed Sh Rajneesh Bansal (DIN 00077230) as Executive Director and approved his remuneration w.e.f. 01-04-2020 subject to approval of Members in the ensuing Annual General Meeting. Further, the Board appointed him as the Managing Director of the Company and revised his remuneration in its Board meeting held on 18-08-2020, w.e.f. 01-09-2020, subject to approval of Members in the ensuing Annual General Meeting.

The Board of Directors of the Company had re-appointed Sh. Dharam Pal Sharma (DIN 07284332) as Designated Whole Time Director and approved his remuneration w.e.f. 01-04-2020, subject to approval of Members in the ensuing Annual General Meeting.

Further details are given in the Explanatory Statement to the item no. 7 and 8 of the Notice.

Further, Sh. Arjun Pandurang Ghugal (DIN 02414741) was appointed as Independent Director of the Company by the Shareholders of the Company in their Annual General Meeting held on 28.09.2015 for a term of 5 consecutive years upto the Annual General Meeting for the Financial Year 2019-20. Accordingly the term of Sh. Arjun Pandurang Ghugal will expire at the ensuing AGM of the Company.

Further, Mr. Uma Shankar Paliwal (DIN: 06907963), Independent Director of the Company has resigned from his office with effect from 16<sup>th</sup> August, 2020 and his resignation has been accepted by the Board in its meeting held on 18-08-2020.

The Brief Resumes and other details relating to the Directors who are proposed to be appointed/re-appointed and whose remuneration is being fixed/varied, as required to be disclosed under Regulation 36 of the SEBI (LODR) Regulations, 2015 and per Secretarial Standards-2 form part of the Notice of Annual General Meeting.

### **KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 as on 31.03.2020 are as follows:

Sh. Sat Paul Bansal	Chairman cum Managing Director
Smt Bhupinder Kaur	Chief Financial Officer
Sh. Hardam Singh	Company Secretary

Mr. Sat Paul Bansal (DIN 00077499) resigned from the position of Chairman cum Managing Director w.e.f. 31-08-2020 and in his place, Sh Rajneesh Bansal (DIN 00077230) has been appointed as the Managing Director and Key Managerial Personnel of the Company w.e.f. 01-09-2020 subject to approval of Members in the ensuing Annual General Meeting.

There was no change (appointment or cessation) in the office of KMPs during the year under review.

### **A STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR**

No fresh appointment of any independent director has been made during the year under review. However, with respect to re-appointment of three Independent Directors, the Board do hereby state that in the opinion of the Board, the said Independent Directors hold integrity, expertise and experience (including the proficiency, if applicable) in terms of Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014.

### **NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:-**

The information as required in terms of Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is as under:-

The Company has following two Subsidiaries:-

- Paul Merchants Finance (P) Ltd (formerly known as Paul Fincap (Pvt) Ltd.) is the Wholly Owned subsidiary of the Company. The said subsidiary is engaged in the business of Gold Loans, Business/personal loans, Distribution of Insurance products and PPI Instruments.
- PML Realtors (Pvt) Ltd. is the Wholly Owned subsidiary of the Company. The said subsidiary is engaged in buying and selling of Real Estate Projects.

The Company has no Associate Company but is having a Joint Venture Company in the name of M/s Horizon Remit Sdn. Bhd., Malaysia.

There is no change in the Subsidiaries, Joint Ventures Or Associate Companies of the Company during the year under review.

### **DEPOSITS**

The Company has neither accepted nor renewed any deposits during the Financial Year 2019-20 in terms of Chapter V of the Companies Act, 2013. As such information in this regard and also the information in terms of Rule 8 (5) (v) and Rule 8 (5) (vi) of Companies (Accounts) Rules, 2014 is nil.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future. As such, the information in terms of Rule 8 (5) (vii) of the Companies (Accounts) Rules, 2014 is nil.

**DETAILS IN RESPECT OF INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY WITH REFERENCE TO THE FINANCIAL STATEMENTS, IN TERMS OF RULE 8 (5) (viii) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

Your Company has in place sound internal control system to ensure that all assets are protected against loss from any unauthorised use and all transactions are recorded and reported correctly. According to Section 134(5) (e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company has a well placed, proper and adequate internal financial control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the internal Audit function is well defined in the Organization. The internal financial control system ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal financial control system also comprises due compliances with Company's policies and Standard Operating Procedures (SOPs), compliance with SEBI (Prevention of Insider Trading) Regulations. The compliance is ensured by in-house Internal Audit Division, supplemented by Concurrent and Statutory Audit. The Internal Auditors independently evaluate the adequacy of internal controls and regularly audit the transactions. Independence of the audit and compliance is ensured by regular supervision of the Audit Committee over Internal Audit findings. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board on Quarterly basis.

The Internal Financial Control systems in place in the Company have been reviewed by the Audit Committee on 24-06-2020 and by the Board of Directors of the Company on 25-06-2020 and have satisfied themselves that the Internal Financial Control systems in place in the Company are adequate.

**DISCLOSURE AS TO COST AUDIT AND COST RECORDS**

Maintenance of cost records as specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 is not required by the Company and as such the Cost Audit is also not applicable to the Company. This disclosure is pursuant to Rule 8(5)(ix) of the Companies (Accounts) Rules, 2014.

**OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Directors do hereby state in terms of Rule 8(5)(x) of the Companies (Accounts) Rules, 2014 that the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013 (14 of 2013) and has adopted a policy for prevention of Sexual Harassment of Women at workplace. During the year under review, the Company has not received any complaint of harassment.



## **DECLARATIONS ON COMPLIANCE WITH CODE OF CONDUCT BY DIRECTORS AND THE SENIOR MANAGEMENT PERSONNEL**

The Annual Report of the Company contains a Declaration by the Managing Director in terms of Para D of Schedule V to the SEBI (LODR) Regulations, 2015 on the declarations received from the Directors and the Senior Management personnel affirming compliance with the Code applicable to them during the year ended March 31, 2020. This Declaration has been given as **Annexure D-12** to this Report.

## **REVIEW OF LEGAL COMPLIANCE REPORTS**

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

## **MAXIMUM TENURE OF INDEPENDENT DIRECTORS**

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure in one term of appointment of an Independent Director does not exceed 5 years and for two terms put together does not exceed 10 years.

## **SHARE CAPITAL**

### **a. ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS**

The Company has not issued any shares with Differential Rights during the year under review.

### **b. ISSUE OF SWEAT EQUITY SHARE**

The Company has not issued any Sweat Equity shares or Employee Stock Options during the year under review.

The Authorized Equity Share Capital of the Company as on 31<sup>st</sup> March 2020 was Rs. 2,00,00,000/- and paid up Equity share capital was Rs. 1,02,80,000/-.

Further there was no buy back of its own shares by the Company and there was no other change in the share Capital of the Company during the year under review.

## **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS**

The impact of Covid 19 and Company's preparedness to deal with the implications arising out of this scenario have already been discussed in the beginning of this report. There are no other events to be reported under this head.

## **CORPORATE GOVERNANCE :-**

Your Company is committed to maintain the highest standards of Corporate Governance and is in compliance with the Corporate Governance Regulations as laid out in the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required under Regulation 34 (3) read with Part C of Schedule V to the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is annexed herewith as **Annexure -D-10** and forms a part of this Annual Report.

A Compliance Certificate from Mr. Kanwaljit Singh Thanewal, a Company Secretary in practice having CP no. 5870, confirming compliance with the conditions of Corporate Governance is also annexed with this Report as **Annexure -D-11** as required under Part E of Schedule V to the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**BUSINESS RESPONSIBILITY REPORT**

Regulation 34 (2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company because the Company is not among top 500 listed entities based on market capitalization as on 31-03-2020.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

Management Discussion & Analysis Report for the year under review, as stipulated under Part B of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section as **Annexure D-3**, forming part of this Annual Report.

**PARTICULARS OF REMUNERATION OF DIRECTORS/ KMPs/EMPLOYEES:-**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1), 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure D-4** which forms part of this report.

**DETAILS OF COMMISSION RECEIVED BY MANAGING DIRECTOR OR WHOLE TIME DIRECTOR**

A sum of Rs. 24,00,000/- (Rupees Twenty Four Lakhs Only) each was paid to Mr. Sat Paul Bansal, Chairman cum Managing Director, who has since resigned from his post w.e.f. 31-08-2020 and Mr. Rajneesh Bansal, Executive Director, who has been appointed as Managing Director w.e.f. 01-09-2020 subject to the approval of the Shareholders, as commission for the Financial Year 2019-20 on the recommendation of the Nomination and Remuneration Committee of the Company.

**CONSOLIDATED FINANCIAL STATEMENTS**

Your Directors have pleasure in enclosing the Consolidated Financial Statements of Paul Merchants Limited consolidating the financials of its Wholly Owned Subsidiary Companies Paul Merchants Finance (Pvt) Ltd and PML Realtors (Pvt) Ltd and the Joint Venture Company M/s Horizon Remit Sdn. Bhd., Malaysia, as required by Section 129(3) of the Companies Act, 2013 (Act) and SEBI Listing Regulations. The said Consolidated Financial Statements are prepared in accordance with the applicable Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India.

**INDIAN ACCOUNTING STANDARDS, 2015**

The annexed financial statements for the Financial Year 2019-20 and corresponding figures for 2018-19 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES/ASSOCIATES/JOINT VENTURES**

The Company has two Wholly Owned Subsidiaries namely:-

- a. Paul Merchants Finance (Pvt) Ltd., which is engaged in the business of Gold Loans, Business/personal loans, distribution of Insurance products and PPI Instruments.
- b. PML Realtors (Pvt) Ltd., which is engaged in buying and selling of Real Estate Properties.

Further, apart from above two wholly owned subsidiaries, the Company has no Associate as defined in the Companies Act, 2013. The Company has one Joint Venture Company in the name of M/s Horizon Remit Sdn. Bhd. Malaysia. The Company holds 19.424% equity stake in the said Joint Venture Company. Weizmann Forex Ltd (CIN L65990MH1985PLC037697), Transcorp Enterprises Limited (CIN U65922RJ1995PLC010050) and Western Union Processing Limited, an Irish Limited Liability Company are

the other partners in the said Joint Venture Company.

During the FY 2019-20, the Subsidiary Company Paul Merchants Finance (P) Ltd. (earlier known as Paul Fincap (Pvt) Ltd.) achieved gross revenue of Rs. 43,57,31,731.89 as against previous year figures of Rs. 18,71,56,561.21, registering a growth of 132.81% over previous year. Further, the said Subsidiary Company achieved a Net profit after Tax of Rs. 1511.61 Lakhs as against the previous year figures of Rs. 663.50 Lakhs.

During the FY 2019-20, the Subsidiary Company PML Realtors (P) Ltd., achieved gross revenue of Rs. 31,37,856/- as against previous year gross revenue of Rs 58,46,595/- respectively. Further, the said Subsidiary Company achieved Net Profit after Tax of Rs.15,72,398.72 as against previous year figures of Rs. 30,30,359/-.

During the FY 2019-20, the JV Company M/s Horizon Remit Sdn. Bhd. Malaysia achieved gross revenue of RM 41.97 Lakhs as against previous year gross revenue of RM. 55.42 Lakhs. Further, the JV incurred loss of RM 8.80 Lakhs as against profit of RM 2.74 Lakhs earned during the previous year. The financial year of the JV Company ends on 31-12-2020 and accordingly, these figures have been arrived at on the basis of unaudited Financial information for the quarter ending Mar 2020 and audited Financial Statements for the period ended Dec 2019.

On a consolidated basis, the revenue from operations for FY 2019-20 was Rs. 5401.12 crore i.e. higher by 10% over the previous year's revenue of Rs. 4916.94 crore. The consolidated profit after tax (PAT) attributable to shareholders and non-controlling interests for FY 2020 and FY 2019 was Rs. 26.37 Crore and Rs. 22.08 Crore respectively registering a growth of 19.43 percent over the PAT for FY 2019. The contribution by each company to the overall performance of the company during the period under report is detailed below:

Name of the Company	Amount (Rs in Lacs)			
	Share in profit or loss for year ending 31st March 2020		Share in profit or loss for year ending 31st March 2019	
	as %age of consolidated profit or loss	Amount (Rs in Lacs)	as %age of consolidated profit or loss	Amount (Rs in Lacs)
<b>Paul Merchant Limited</b>	<b>44.27%</b>	<b>1,189.53</b>	<b>68.17%</b>	<b>1,505.13</b>
<b>Subsidiary Companies:</b>		-		-
Paul Merchants Finance Private Limited	56.26%	1,511.62	30.05%	663.50
PML Realtors Private Limited	0.59%	15.72	1.37%	30.30
<b>Joint Venture (Investment as per Equity Method):</b>				
M/s Horizon Remit BHD. SDN. , Malaysia	-1.11%	-29.83	0.41%	9.01
<b>Sub Total</b>		<b>2,687.04</b>		<b>2,207.95</b>
Adjustments arising out of consolidation		-49.63		
<b>TOTAL</b>		<b>2,637.41</b>		<b>2,207.95</b>

Report on the performance and Financial position of the Subsidiary Companies and Joint Venture Company in the specified format AOC-1 is annexed to the Directors' Report as **Annexure D-6.**

**AUDIT COMMITTEE**

Your Directors wish to inform that in Compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Audit Committee of the Board is duly constituted. The Audit Committee as on March 31, 2020 comprises of the following Independent Directors:

Shri. Vigyan Prakash Arora	Independent Director, Chairman
Shri Dilbag Singh Sidhu	Independent Director, Member
Shri Ajay Arora	Independent Director, Member

Details of the Audit Committee have been given separately in the Corporate Governance report, which is annexed herewith as **Annexure D-10**. Further, all recommendations of Audit Committee were accepted by the Board of Directors.

#### **NOMINATION & REMUNERATION COMMITTEE**

In terms of Regulation 19 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Section 178 (1) of the Companies Act, 2013, Nomination & Remuneration Committee of the Board is duly constituted. As on March 31, 2020 the Committee comprises of the following Directors:

Sh. Dilbag Singh Sidhu	Independent Director, Chairman
Sh. Sandeep Bansal	Non Executive Director, Member
Shri. Vigyan Prakash Arora	Independent Director, Member

The details of Remuneration Policy and this Committee are furnished in the Report on Corporate Governance, which is annexed herewith as **Annexure D-10**.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

In terms of Regulation 20 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Section 178 (2) of the Companies Act, 2013, the Stakeholders Relationship Committee of the Board is duly constituted. As on March 31, 2020 the Committee comprises of the following Directors:

Sh. Vigyan Prakash Arora	Independent Director, Chairman
Sh. Rajneesh Bansal	Executive Director, Member
Sh. Sandeep Bansal	Non Executive Director, Member

Other details of the Committee have been given separately in the Corporate Governance report, which is annexed herewith as **Annexure D-10**.

#### **CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES**

There is no change in the Capital Structure of the Company during the year under review. The Shares of the Company are listed and traded at BSE Ltd under scrip code 539113.

#### **VIGIL MECHANISM**

The Company has established a Vigil Mechanism cum Whistle Blower Policy in terms of Section 177 (10) of the Companies Act, 2013 and also in terms of Regulation 4 (2) (d) and Regulation 22 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details

of the said Vigil Mechanism cum Whistle Blower Policy is given in the Corporate Governance Section, which is appended to this Report. The Vigil Mechanism cum Whistle Blower Policy is also available on the Company's website under weblink <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Vigil-Mechanism-policy-07-02-2019.pdf>.

### **INDUSTRIAL RELATIONSHIPS:-**

Relations between the Management and the employees at all levels have been cordial and the Directors wish to express their appreciation for the cooperation and dedication of the employees of the Company.

### **HUMAN RESOURCES DEVELOPMENT**

The Company has always taken its Human capital in highest esteem. It has always been the focus of the Company to attract and retain the good talent, which has been the cornerstone of the success and growth. The Company has put in place a robust Talent Acquisition system, which enables various Verticals of the Company to match their unpredictable needs with predictable resource supply. The continuous pursuit of the Company to connect and interact with all levels of the employees on a regular basis, providing them a free and fair environment to showcase their talent, transparency in elevations, progressive HR processes and policies and distinct PML Family culture has always yielded results and will continue to contribute to the growth and progress of the Company for all times to come. As on 31-03-2020, the Company has 387 people on its Rolls.

### **COMPLIANCE**

The company has devised proper systems to ensure compliance of all laws applicable to the company and the compliance reports issued by the Departmental Heads along with the report of the Company Secretary under Section 205 of the Companies Act, 2013 are placed before the Board every Quarter confirming compliance by the Company with all applicable Laws. In addition, the Internal Audit and Concurrent Audit helps the Company gauge its levels of Compliance on ongoing basis and to take corrective steps, wherever needed.

### **COMPLIANCE WITH LISTING REGULATIONS:-**

The equity shares of the company are listed on BSE Ltd (BSE). The Company has in place the following Policies as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

1. 'Policy for Preservation of Documents' under Regulation 9 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. 'Archival Policy' under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The web link of 'Archival Policy' is <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2018/07/Policy-on-Archival-of-Records.pdf>
3. 'Policy on Criteria for determining Materiality of events/information' under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The web link of the 'Policy on Criteria for determining Materiality of events/information' is; <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Policy-Determination-of-Materiality-23.04.2019.pdf>

The company has already paid listing fees for the year 2020-21 to BSE Ltd. and has also paid the Annual Custodial fee to the Depositories, for the year 2020-21.

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

### **INSIDER TRADING:**

The Board of Directors of the Company have adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The said Code has been posted on the Website of the Company [www.paulmerchants.net](http://www.paulmerchants.net). Further, the Board has also adopted the Code Of Conduct To Regulate, Monitor And Report Of Trading By Designated Persons in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider trading policy of the company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The said codes were duly adhered to during the year under review.

### **CEO/CFO CERTIFICATION**

In accordance with the Regulation 17 (8) read with Part B of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to corporate governance norms, Mr. Sat Paul Bansal, Managing Director and Ms. Bhupinder Kaur, Chief Financial Officer (CFO), have issued a certificate as per the contents of said Regulation for the year ended March 31, 2020. As the Company has no post of Chief Executive Officer (CEO), the said Certificate has been signed by the Managing Director of the Company along with CFO. The said certificate forms an integral part of this Annual Report as **Annexure D-13**. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

### **DEMATERIALIZATION OF SHARES**

The Company's equity shares are in compulsory Demat mode in terms of SEBI Guidelines. This has been facilitated through arrangement with NSDL and CDSL. About 97.62% of the issued shares of the Company are already in dematerialized form as on 31-03-2020. M/s Alankit Assignments Limited, New Delhi are acting as the Registrar and Share Transfer Agents for this purpose and acts as common agency and all activities in relation to share transfer facility are maintained by them in terms of Regulation 7 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years as on 31-03-2020. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company shall make requisite compliances as per the said Rules at appropriate time.

### **FINANCIAL STATEMENTS**

Annual Report 2019-20 of the Company containing Standalone as well as Consolidated Balance Sheet, Statement of Profit & Loss, Cash Flow Statement, other statements and notes thereto, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis Report and Corporate Governance Report) is being sent via email to all shareholders who have registered email address(es). Full version of Annual Report 2019-20 is also available for inspection at the registered office of the Company during working hours upto the date of ensuing Annual General Meeting (AGM). It shall also be available at the Company's website [www.paulmerchants.net](http://www.paulmerchants.net), on the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The Notice of the AGM shall also be available at the website of CDSL.



**ACKNOWLEDGEMENT**

Your Directors wish to express their sincere appreciation to valued Clients, Reserve Bank of India, Bankers, Government Agencies and Employees of the company for their continued support & co-operation.

**For & On Behalf of the Board**

**For & On Behalf of the Board**

**(SAT PAUL BANSAL)  
CHAIRMAN CUM MANAGING DIRECTOR  
(DIN 00077499)**

**(RAJNEESH BANSAL)  
EXECUTIVE DIRECTOR  
(DIN 00077230)**

PLACE: CHANDIGARH  
Date: August 18, 2020

**ANNEXURE D-1 TO THE DIRECTORS' REPORT:-****A. Conservation of Energy :**

Though energy does not form a significant portion of the cost for the Company yet wherever possible and feasible, continuous efforts are put for conservation of energy and to minimize power cost. The Energy conservation measures include encouraging the use of solar lights, low power consuming apparatus, replacement of old electrical units with new energy efficient units. The vehicles operated by the company are in compliance of all pollution control regulations. Wherever possible, paperless processes are adopted under Green Initiative. Staff of the Company is regularly sensitized about conservation of power. As the Company is in service sector, capital investment on energy conservation equipments is not significant to be reported.

**B. Technology Absorption :**

The Company continues to absorb and upgrade modern technologies in its operations and back-end support functions like Accounts, Human Resource Management, Operations and Compliance functions.

The benefit derived from above steps enables the Company to carry on its operations in an efficient and cost-effective manner which in turn helps the Company offer its services and products in a most competitive manner.

There is no imported technology in the Company.

No specific or separate expenditure incurred on Research and Development because of the nature of operations of the Company.

**C. Foreign exchange earnings and outgo:**

	<b>2019-20</b>	<b>2018-19</b>
<b>PARTICULARS</b>	<b>Amount (Rs. In Lakhs)</b>	<b>Amount (Rs. In Lakhs)</b>
<b>Foreign Exchange Outgo</b>		
Towards Travelling Overseas	8.60	2.05
Towards Overseas Tour Packages Business	147.83	493.04
Towards Revenue Share for outward Remittances	194.78	153.99
<b>Total</b>	<b>351.21</b>	<b>649.08</b>
<b>Foreign Exchange Receipts</b>		
Tour Packages Business	11.87	7.09
<b>Total</b>	<b>11.87</b>	<b>7.09</b>

**For & On Behalf of the Board**

**For & On Behalf of the Board**

**(SAT PAUL BANSAL)**  
**CHAIRMAN CUM MANAGING DIRECTOR**  
**(DIN 00077499)**

**(RAJNEESH BANSAL)**  
**EXECUTIVE DIRECTOR**  
**(DIN 00077230)**

PLACE: CHANDIGARH  
Date: August 18, 2020

**ANNEXURE D-2 TO THE DIRECTORS' REPORT****NOMINATION AND REMUNERATION POLICY****CONTENTS**

<b>Sr. No.</b>	<b>Particulars</b>
1	OBJECTIVE
2	DEFINITIONS
3	ROLE OF COMMITTEE
3.1	Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee
3.2	Policy for appointment and removal of Directors, KMPs and Senior Management Personnel
3.3	Policy relating to the Remuneration for the Whole-time Directors, KMPs and Senior Management Personnel
4	MEMBERSHIP OF COMMITTEE
5	CHAIRPERSON
6	FREQUENCY OF MEETINGS
7	COMMITTEE MEMBERS' INTERESTS
8	SECRETARY
9	VOTING
10	MINUTES OF COMMITTEE MEETING

## **NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time. Any amendment in the said Acts/Regulations at any point of time in future shall be automatically deemed to be incorporated herein. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management had originally been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and approved by the Board of Directors on 04-08-2014. Further the said Policy has been amended by the Board of Directors on 07-02-2019 in the light of Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018.

### **1. OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the Listing Regulations. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To recommend for Key Managerial Personnel and Senior Management, reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

### **2. DEFINITIONS**

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel** means
  - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
  - 2.4.2. Whole-time director;
  - 2.4.3. Chief Financial Officer;
  - 2.4.4. Company Secretary; and
  - 2.4.5. Such other officer as may be prescribed.
- 2.5. **Senior Management** means officers/ personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/ managing director/ whole time director/manager (including chief executive officer/ manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

- 2.6. "**Remuneration**" means money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

### 3. ROLE OF COMMITTEE

#### 3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- a. To formulate and recommend to the Board, a Nomination and Remuneration Policy of the Company as per the Companies Act, 2013, applicable RBI Guidelines and Regulation 19(4) of SEBI (LODR) Regulations, 2015 from time to time.
- b. To recommend addition/modification to the Nomination & Remuneration Policy to the Board from time to time.
- c. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration for the directors, key managerial personnel and other employees as per the Companies Act, 2013, applicable RBI Guidelines and Regulation 19(4) of SEBI (LODR) Regulations, 2015, as amended from time to time
- d. To recommend addition/modification to the Nomination & Remuneration Policy to the Board from time to time.
- e. formulation of criteria for evaluation of performance of independent directors and the board of directors
- f. devising a policy on diversity of board of directors
- g. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance
- h. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- i. Recommend to the Board, appointment and removal of Directors, KMPs and Senior Management Personnel.
- j. recommend to the board, all remuneration, in whatever form, payable to senior management
- k. Oversee familiarisation programmes for directors.
- l. Provide guidelines for remuneration of directors on material subsidiaries.
- m. Performing such other duties and responsibilities as may be consistent with the provisions of the Companies Act, SEBI (LODR) Regulations, 2015 or any applicable Statute as the Committee may deem appropriate after the approval of the Board or as may be directed by the Board from time to time.

#### 3.2. Policy for appointment and removal of Directors, KMPs and Senior Management Personnel

##### 3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level in line with the Business of the Company, the Industry Structure which the Company operates in and recommend to the Board his / her appointment.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment to ensure that he/she is able to discharge his duties in a diligent manner. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director, who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- d) A person shall be eligible for appointment as managing director of the company if he has worked as whole time director or manager for at least 3 years in a public limited company.
- e) The Chief Financial Officer of the Company shall necessarily be a member of Institute of Chartered Accountants of India. The Company Secretary of the Company shall necessarily be a member of Institute of Company Secretaries of India. For any other position in the Senior Management, where a specific educational qualification is desirable to discharge the functions and duties attached to that particular position, the person shall necessarily be holding that qualification.

### 3.2.2. Term / Tenure

#### a) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### b) **Independent Directors:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### 3.2.3. CHART SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:-



<p><b>Core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively</b></p>	<ol style="list-style-type: none"> <li>1. Ability to understand Financial Markets especially Forex Markets</li> <li>2. Ability to understand Regulatory/Statutory framework applicable to the Company</li> <li>3. Quick decision making</li> <li>4. Understanding of Company’s business verticals</li> <li>5. Experience in developing policies and processes relating to corporate governance</li> <li>6. Leaderships skills for guiding the management team</li> <li>7. Ability to formulate long term and short term business strategies</li> <li>8. Ability to understand Financial Statements</li> </ol>
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**3.2.4. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly) on the basis of following criteria:-

**a. Criteria for evaluation of the Board of Directors as a whole:**

- i. The Frequency of Meetings
- ii. Quantum of Agenda
- iii. Administration of Meetings
- iv. Flow and quantity of Information from the Management to the Board
- v. Number of Committees and their role.
- vi. Overall performance of the Company

**b. Criteria for evaluation of the Board Committees**

- i. The Frequency of Meetings
- ii. Quantum of Agenda
- iii. Administration of Meetings
- iv. Flow and quantity of Information from the Management to the Committee
- v. Role of Committees.
- vi. Contribution to the decision making process of the Board.

**c. Criteria for evaluation of the Individual Directors including Independent Directors;**

- i. Experience and ability to contribute to the decision making process
- ii. Problem solving approach and guidance to the Management
- iii. Attendance and Participation in the Meetings
- iv. Personal competencies and contribution to strategy formulation
- v. Contribution towards statutory compliances, monitoring of controls and Corporate Governance
- vi. The evaluation of independent directors shall be done by the entire board of directors which shall include –
  - (a) Performance of the directors; and
  - (b) fulfillment of the independence criteria as specified in these regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate

The performance evaluation of all the Independent Directors shall be done by the entire Board and

while doing so, the Director subject to evaluation shall not participate. On the basis of performance evaluation done by the Board, it will be determined whether to extend or continue their term of appointment, whenever their respective term expires.

- d. **Criteria for evaluation of the KMPs and Senior Management Personnel**
- i. Problem solving approach
  - ii. Suitability to the post on the basis of qualification, experience and expertise
  - iii. General conduct and discipline
  - iv. Team work
  - v. Compliance with Regulatory Matrix
  - vi. Contribution to the formulation of the strategies

### **3.2.5. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder or due to other valid reasons as recorded in writing by the Committee, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### **3.2.6. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **3.3. Policy relating to the Remuneration for the Whole-time Directors, KMPs and Senior Management Personnel**

### **3.3.1. General:**

- (a) The remuneration / compensation / commission etc. to the Whole-time Directors, KMPs and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- (b) The remuneration to be paid to the Whole-time Directors shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- (c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Directors. Further, in case of KMPs and Senior Management, the increments shall be allowed not only on the basis of performance of the Company but shall also include various factors like individual performance vis a vis individual KRA, diligence in achievement of KRAs, Industry trends, economic situation, future growth prospects of the Company etc.
- (d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for

indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**3.3.2. Remuneration to Whole-time Directors/ Executive / Managing Director, KMP and Senior Management Personnel:**

**a. Remuneration to Managing Director / Whole-time Directors:**

- i. The Remuneration/ Commission etc. to be paid to Executive/ Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013, Rules made thereunder, provisions of SEBI (LODR) Regulations, as amended from time to time or any other enactment for the time being in force and as per the approvals obtained from the Members of the Company.
- ii. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Executive/Managing Director / Whole-time Directors.
- iii. **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, the Company shall pay Remuneration with the previous approval of the Central Government.
- iv. **Provisions for excess remuneration:** If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, shall hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**b. Remuneration to Non- Executive / Independent Directors:**

- a. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or in any other manner as decided by the Board of Directors.
- b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- i. The Services are rendered by such Director in his capacity as professional; and
- ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- iii. In case the Company decides to offer any Employee Stock Option/ Purchase Schemes in future, the Committee shall determine the stock options and other share based payments to be made to the eligible Directors (other than Independent Directors).

**c. Remuneration to key managerial personnel and senior management:-**

- a) The remuneration to Key Managerial Personnel and Senior Management shall be in compliance with the applicable provisions of the Companies Act, 2013 and in accordance with the Company's Policy and shall be reviewed by the Committee from time to time.
  - b) In case the Company decides to offer any Employee Stock Option/ Purchase Schemes in future, the Nomination and Remuneration Committee of the Company, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
  - c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided by the Company from time to time.
  - d) The Incentive pay shall be in the form of Performance Bonus and shall be decided based upon the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.
4. **POLICY ON BOARD DIVERSITY:** The Board shall comprise of Directors having expertise in different areas / fields like Finance, Accounts, Business Development, Sales and Marketing, Banking, Regulatory Framework, Human Resource management, etc. or as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The Board shall have at least one Board member who has accounting or related financial management expertise and at least one women director.

**5. MEMBERSHIP OF COMMITTEE**

- 5.1 The Committee shall consist of minimum 3 non-executive directors, majority of them being independent.
- 5.2 The quorum for a meeting of the Nomination and Remuneration Committee shall be either 2 members or 1/3<sup>rd</sup> of the members of the committee, whichever is greater, including at least one independent director in attendance.
- 5.3 Membership of the Committee shall be disclosed in the Annual Report.
- 5.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

**6. CHAIRPERSON**

- 6.1 Chairperson of the Committee shall be an Independent Director.
- 6.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 6.3 In the absence of the Chairperson of the Committee, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 6.4 Chairman of the Nomination and Remuneration Committee meeting would be present at the

Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## **7. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required, however, the Committee shall meet at least once in a year. Further, it shall be ensured that such minimum number of meetings of the committee are held as required under the Companies Act, 2013, Rules framed thereunder and under SEBI (LODR) Regulations.

## **8. COMMITTEE MEMBERS' INTERESTS**

- 8.1 The disclosure of Interest and participation in the meetings by a member of the Committee shall be as per the provisions of the Act and Rules made thereunder from time to time.
- 8.2 The Committee may invite such executives, professionals, consultants or experts as it considers appropriate, to be present at the meetings of the Committee.

## **9. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

## **10. VOTING**

- 10.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed to be decision of the Committee.
- 10.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **11. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be recorded as per the Provisions of the Companies Act, 2013 and Secretarial Standards and signed by the Chairman of the Committee or the chairman of the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

(Sd/-)

Sat Paul Bansal

Chairman of the Board

**For & On Behalf of the Board**

**(SAT PAUL BANSAL)**  
**CHAIRMAN CUM MANAGING DIRECTOR**  
(DIN 00077499)

**For & On Behalf of the Board**

**(RAJNEESH BANSAL)**  
**EXECUTIVE DIRECTOR**  
(DIN 00077230)

PLACE: CHANDIGARH

Date: August 18, 2020

**ANNEXURE D-3 TO THE DIRECTORS' REPORT**

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

**PART (1)**

**(a) INDUSTRY STRUCTURE AND DEVELOPMENTS**

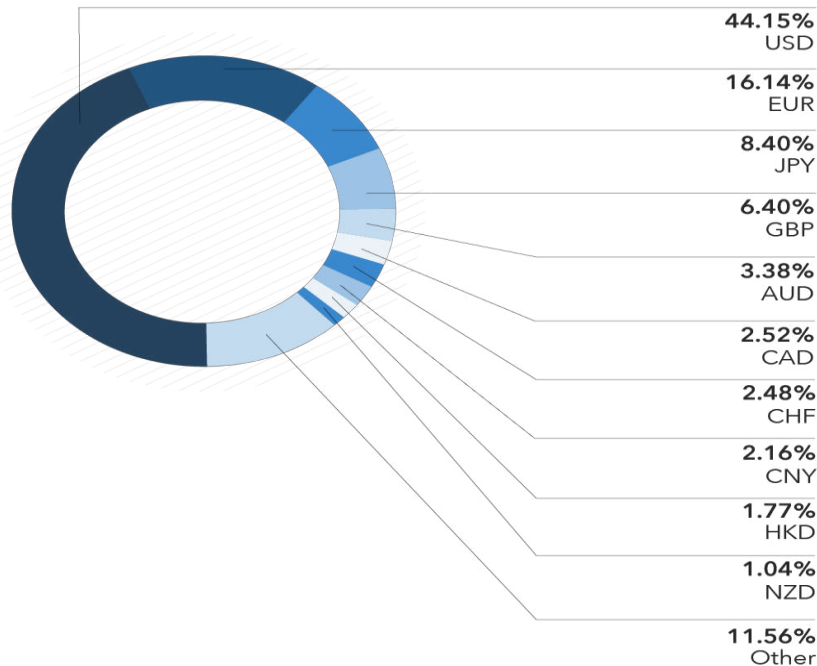
**Foreign Exchange**

The foreign exchange market (Forex, FX, or currency market) is a global decentralized or over-the-counter (OTC) market for the trading of currencies. This market determines foreign exchange rates for every currency. It includes all aspects of buying, selling and exchanging currencies at current or determined prices. In terms of trading volume, it is by far the largest market in the world, followed by the credit market.

The main participants in this market are the larger international banks. Financial centers around the world function as anchors of trading between a wide range of multiple types of buyers and sellers round the clock, with the exception of weekends. Since currencies are always traded in pairs, the foreign exchange market does not set a currency's absolute value but rather determines its relative value by setting the market price of one currency if paid for with another. Ex: US\$1 is worth X CAD, or CHF, or JPY, etc.

The major sources of supply of foreign exchange in the Indian foreign exchange market are receipts on account of exports and invisibles in the current account, drafts, travellers cheque and inflows in the capital account such as foreign direct investment (FDI), portfolio investment, external commercial borrowings (ECB) and non-resident deposits. On the other hand, the demand for foreign exchange rises from imports and invisible payments in the current account, amortisation of ECB (including short-term trade credits) and external aid, redemption of NRI deposits and outflows on account of direct and portfolio investment.

**Top 10 most traded currencies in the World.**





### **Tours and Travels**

The Tours and Travels industry broadly comprise of Holiday Packages, Medical Tourism, Corporate Travels, all types of ticketing and VISA services. The Indian tourism market is fast-growing with immense potential due to the country's rich cultural and geographical diversity. It is one of the major sectors contributing to GDP of the country and is driven by steady economic growth. Foreign Tourist Arrivals in India increased by 2.2% (10.7 million) in 2019. The growth rate was 5.5% in 2018. Overall, India welcomed 28.9 million visitors including NRIs living abroad who visited India for various purposes during the year. As per one analysis, 62.4% of foreign tourist arrivals was for the purpose "Leisure, Holiday & Recreation" followed by Business and Professional (16.3%), Indian Diaspora (13.5%), Medical (6.1%) and Other Purpose (1.7%). 80.4% of tourists from Eastern Europe came under the category, "Leisure, Holiday & Recreation" followed by South Asia (74.5%) and Central and South America (73.3%). 50.5% of arrivals from East Asia was under the category Business and Professional followed by Africa (21.9%) and Western Europe (20.6%). 24.2% arrivals from West Asia was for 'Medical Purpose followed by Africa (14.6%)

### **International Money Transfer**

Under this segment, people living abroad send money to their families/dependents living in India. The most preferred channel of remittance for about 75.2% of the transactions was through Rupee Drawing Arrangement since the cost of transaction through this mode is lesser compared to the rest. Rupee Drawing Arrangement (RDA) is a channel to receive cross-border remittances from overseas. Under this arrangement, the Authorised Category I banks enter into tie-ups with the non-resident Exchange Houses in foreign countries. Remittances are made through these exchange houses. As per one estimate, 59.2% of the remittance amount received in India were used for family maintenance- for consumption of the family, 20% was used as deposits in banks while 8.3% was used to invest in equity shares, land, property etc.

## **(b) OPPORTUNITIES & THREATS**

### **OPPORTUNITIES**

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term, and long-term measures. Total expenditure for 2020-21 is budgeted at Rs 37.14 lakh crore (US\$ 531.53 billion), an increase of 13 per cent from 2019-20 (revised budget estimates). Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. The Indian Government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. Ministry of Tourism launched DekhoApnaDesh webinar series to provide information on many destinations and sheer depth and expanse on the culture and heritage of India. India's travel and tourism industry has huge growth potential. The industry is also looking forward to the expansion of e-Visa scheme, which is expected to double the tourist inflow in India. India's travel and tourism industry has the potential to expand by 2.5 per cent on the back of higher budgetary allocation and low-cost healthcare facility. With these developments, if the travel segment of the country gets a boost, it will throw ample opportunities for both Forex and Travel Verticals of the Company. Further, when the currency transactions are happening on a very low level in the Covid era, the Telegraphic Transfer transactions, which are a major contributor to company's overall Forex revenue, will continue to happen on a promising scale because Educational Institutions in overseas countries have started online classes and have started accepting new admissions of students. Further, if the Covid situation improves fast in the overseas countries especially in European countries, it is likely that Indian Diaspora settled there, will send more remittances to their Indian households to help them deal with the financial impact, Covid has left on them, which will act as a boost for International remittances and Travel verticals of the Company.

**THREATS**

India's economy kicked off 2020 with its weakest quarter in at least eight years. But the biggest drop is yet to come. GDP expanded by 3.1% in the three months to March, according to government data published. That was a faster pace than economists had expected, but still the weakest figure since comparable record keeping began in 2012. India's economy had been slowing down well before the coronavirus pandemic hit, with the rate of expansion slumping to about half of what it was three years ago as consumer demand waned and the country's automotive sector struggled. Moreover, the bilateral trade between India and China has dipped to USD 81.87 billion in 2019-20 from USD 87.08 billion in 2018-19. In just one month, dollar-rupee volatility levels have quadrupled from 4% to 16% levels. The most visible and immediate impact of Covid-19 is seen in the hotel and tourism sector in all its geographical segments - inbound, outbound and domestic and almost all verticals - leisure, adventure, heritage, MICE (Meetings, Incentives, Conferences & Exhibitions), cruise and corporate. Given various travel restrictions imposed by the Indian government as well as governments across the globe, forward bookings for various conferences and leisure travel bookings to foreign destinations have already been cancelled. In India, most of the summer holiday bookings (for the states of Kerala, Rajasthan and Goa) have also been cancelled (about 40-50 per cent), thereby impacting domestic tourism. The impact on the inbound and outbound passengers is expected to be most severe in the next couple of quarters. Globally remittances are also projected to decline sharply by about 20 per cent this year due to the economic crisis induced by the pandemic and shutdowns. Remittances to India are likely to drop by 23 per cent from USD 83 billion last year to USD 64 billion this year due to the coronavirus pandemic, which has resulted in a global recession. These developments are the major threats for all Forex, Travel and International Money Transfer Verticals of the Company.

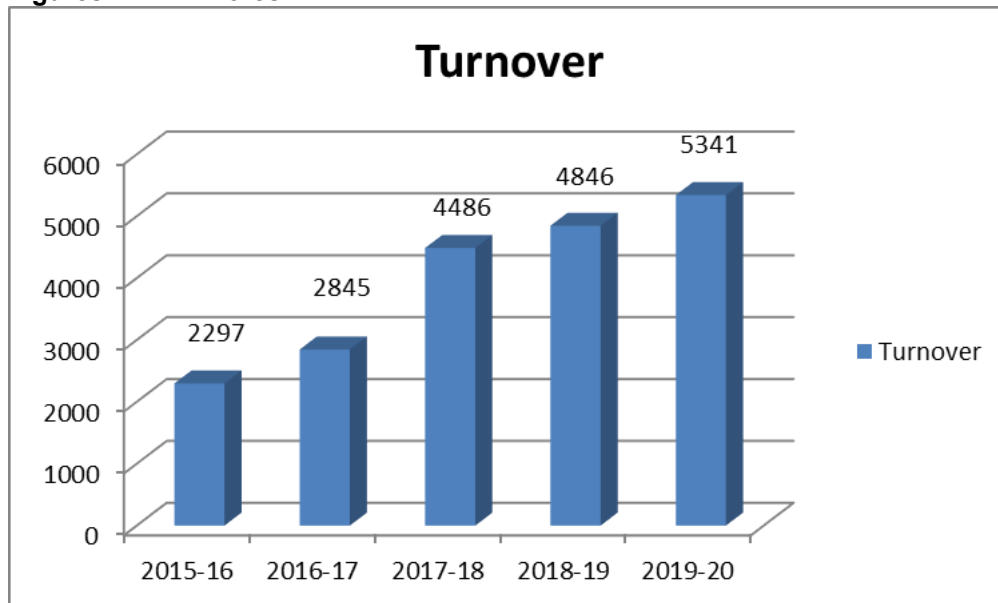
**(c) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

**FOREX DIVISION**

The total turnover from this division increased to Rs.5341.38 crores as compared to previous year figures of Rs. 4846.18 crores, registering a growth of 10%. Retail business of Forex continues to be the key segment and strength of the company and the same is reflected in the fact that it has contributed 76% of the total turnover.

**Total Forex Turnover Trends**

Figures in INR Crores

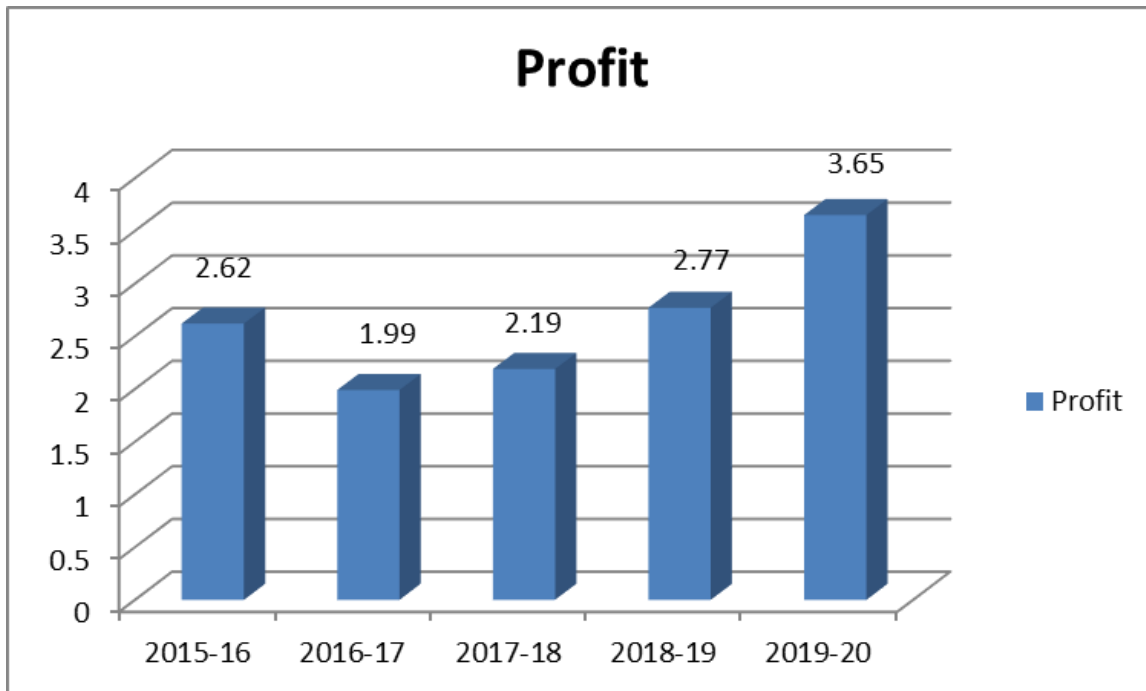


Among the various products in Forex, the Telegraphic Transfer business has always been one of the major contributor towards the overall Forex Sales. This year too it has been one of the major contributing product with a 69% share in the total sales .Currency business is the second biggest contributor to the overall Forex sales with a 30% share.

**Non AD II Business**

The Non AD II business has been witnessing strict regulatory guidelines in the past few years and the banks are becoming stringent in doing the said transactions. In spite of all the challenges in doing the Non AD II business, the Company has been able to register an income of Rs.3.65 crores as against the previous year’s figures of Rs. 2.77 crores during the year under review, registering thereby a growth of 32% over last year.

**Non AD II Profit (Figures in INR Crores )**



**TRAVEL DIVISION**

During the year under review, the Company generated gross revenue of Rs 2.37 Crores from Travel Division, as compared to the previous year’s figures of Rs. 2.61 Crores, registering a de-growth of 9.22%. Further, revenue of Air Ticketing stood at Rs 1.63 Crores as compared to previous year’s figure of Rs. 1.94 Crore. The Company generated gross revenue in Outbound Tours to the tune of Rs. 59.76 Lakhs in this segment in the year under review against the previous year’s figure of Rs. 53.22 Lakhs.

**INTERNATIONAL MONEY TRANSFER DIVISION (MTSS BUSINESS)**

The Company has been offering International Inward Money Transfer services as a Sub Agent of Ebix Money Express Services (P) Ltd as per the regulations issued by Reserve Bank of India and is offering the services of Western Union, RIA Money Transfer & Transfast. During the year under review, the Company registered a gross revenue from this segment at Rs. 71.65 Lakhs as against the previous year figure of 101.35 Lakhs.

**(d) OUTLOOK**

For the first time in seven years, India's GDP grew below 6 percent year over year for two consecutive quarters, forcing policymakers and markets to rethink India's outlook. Hit hard by the COVID-19 pandemic, the Indian economy is expected to contract by 4% during the current financial year, the Asian Development Bank said in a supplement to its Asian Development Outlook (ADO). The International Monetary Fund said recently that India's Gross Domestic Product will contract by 4.5% in the 2020-21 financial year, thanks to the lockdown imposed to fight the corona virus pandemic. In these circumstances, though the challenges will be ample, however, the Company has pinned its hopes on revival of the economic activity faster than expected and is geared up to bring back its revenue to the normal levels, once the covid situation eases. Despite the near-term ambiguity, the Company remains confident of the medium to long-term growth prospects of the Forex and Internal Remittances sector.

**(e) RISKS AND CONCERNS**

The Foreign exchange business is prone to many risks like Theft, Burglary/ Dacoity, loss during cash/currency in transit, Embezzlement of Cash/Currency by Company's own employees, Exchange Rate volatility and Compliance / Regulatory violations. In Travel sector, the demand in the near future is likely to remain lethargic due to Covid 19. The competition in the market in all segments is increasing by every passing day. Further, the Covid led economic recession is a major risk and concern for all the verticals of the Company. Your Company monitors its major risks and concerns at regular intervals. Appropriate steps are taken in consultation with all concerned including the Risk Management Committee and the Audit Committee of the Board to identify and mitigate such risks.

**(f) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY AND RISK MANAGEMENT,**

The Company has a well-established framework in place for identification, evaluating and management of risks, including the risks which may threaten the existence of the Company. Company's internal controls are commensurate with its size and the nature of its operations and are aligned with the requirement of Companies Act 2013. The Company has in place its Risk Management policy, Internal control management and the entire framework of business model is designed such as to drive a common integrated view of risks, risk mitigation and efficient management of internal audit activities. Risk management and internal control systems have been designed in such a way that downside risks are minimized as complete elimination of the risk is not possible. The Company has a proper and adequate system of internal controls commensurate with nature and its size to ensure that all properties & assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded, vouched and reported correctly. Regular review of the systems is conducted by the Audit Committee of the Company. Further, any significant findings & follow up thereon, internal investigations by Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature is placed before the Audit Committee. The Company's internal control systems are further supplemented by an extensive programme of internal audit and also by Concurrent Audit by an independent firm of Chartered Accountants. The Company has designated Mr. Dharam Pal Sharma (Ex GM RBI), Whole Time Director as the Designated Director for the purpose of compliances with AML and RBI Guidelines. Further, a qualified Law Graduate is the Principal Officer of the Company for the purpose of compliances with all Anti Money Laundering Guidelines and KYC Norms applicable to the Company. The Internal Controls and Audits are subject to periodic review by the management. The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets. The Company has also in place adequate and effective system of internal controls to ensure compliance with the requirements given in Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations.

The Board of Directors of the Company has assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Regulations 2015) as of March 31, 2020. The statutory auditors of the Company have audited the financial statements included in this annual report and have issued a report on Company's internal control over financial reporting (as defined in section 143 of Companies Act 2013). Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI LODR Regulations 2015), Audit Committee of the Board has concluded that, as of March 31, 2020, internal financial controls in the Company were adequate and operating effectively.

**(g) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

During the year under review, total Revenue from operations of the Company (standalone) was Rs. 5357.68 crores, an increase of 9% over the Financial Year 2018-19. The total operating income of the Company (Standalone) is Rs. 4.50 crores as compared to last year's figure of Rs. 1.95 crores, registering an increase of 131%. Total Profit before tax (PBT) (standalone) for FY 2019-20 was Rs. 16.56 Crore and Profit after tax was Rs. 11.90 crores.

During the year under review, total Revenue from operations of the Company (consolidated) was Rs. 5401.12 crores, an increase of 10 % over the Financial Year 2018-19. Consolidated Profit before tax (PBT) for year under review was Rs.35.76 Crores (including Share of Loss in JV) and Consolidated Profit after tax was Rs. 26.37 crores.

**(h) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED**

Your Company continued to focus on attracting and retaining talent in a way that there is equal opportunity for all levels of human capital to grow in line with the Company. The Company continued to focus on all round development of its human resources by organizing varied types orientation activities, which helped enhancing the commitment, productivity and loyalty of the work force. People at all levels are given opportunity to grow to next levels and for this purpose a well chalked out evaluation process is in place. The Company believes in creating a rewarding and nurturing environment for employees. Continuous commitment to upgrade skills in every field is an integral part of the human resource development policy of the Company.

As on 31st March, 2020, 387 number of people are employed in the Company.

**(i) DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFORE, INCLUDING:-**

Sr. No.	Ratio	2018-19	2019-20	Change	EXPLANATION FOR CHANGE
a	Debtors Turnover	17.6	16.2	-8%	Some of Trade receivable could not be realized by 31 <sup>st</sup> March 2020 due to lock down
b	Inventory Turnover	253	227	-10%	Due to currency stock held up at the year end which could not be moved post lock down.
c	Interest Coverage Ratio	137.24	136.00	-1%	Due to slight increase in interest cost due for use of credit limits and interest towards Loan against property taken during the year.
d	Current Ratio	9.73	8.52	-12%	Due to increase in Current liabilities comprising of increase in advance from customers and borrowings balance at the year end
e	Debt Equity Ratio	0.00	0.00	-	Debt balance at the year end is Rs 78 Lakhs i.e. negligible compared to Total Equity Value of Rs 39144 lakhs

f	Operating Profit Margin (%)	0.04%	0.08%	100%	Due to improvement in Non Ad -II referral business and Bulk Business and cost control measures
g	Net Profit Margin (%)	0.29%	0.31%	6%	Due to improvement in Non Ad -II business and Bulk Business and cost control measures
h	Any sector-specific equivalent ratios, as applicable	-	-	-	There is no such sector-specific equivalent ratio

**(j) DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF**

Ratio	2018-19	2019-20	Change	EXPLANATION FOR CHANGE
Return On Net Worth	4%	3%	1%	Exceptional loss on Sale of property and deferred tax assets reversal due to change in tax rates

**PART 2**

**DISCLOSURE OF ACCOUNTING TREATMENT -**

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and defined contribution plans which have been measured at actuarial valuation as required by relevant Ind AS, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis describing Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include change in Statutory Regulations, overall Forex Markets, a downward trend in migration, rise in operational costs, exchange rate fluctuations and significant changes in political and economic environment, tax laws, litigation and labour relations.

**For & On Behalf of the Board**

**For & On Behalf of the Board**

**(SAT PAUL BANSAL)  
CHAIRMAN CUM MANAGING DIRECTOR  
(DIN 00077499)**

**(RAJNEESH BANSAL)  
EXECUTIVE DIRECTOR  
(DIN 00077230)**

PLACE: CHANDIGARH  
Date: August 18, 2020



**ANNEXURE D-3A**

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31.03.2020**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i.** CIN : L74900DL1984PLC018679
- ii.** Registration Date : 13/07/1984
- iii.** Name of the Company : PAUL MERCHANTS LIMITED
- iv.** Category of the Company : Company Limited by shares
- v.** Sub-Category of the Company : Indian Non-Government Company
- vi.** Address of the registered office: DSM 335,336,337, 3rd Floor, DLF Tower 15, Shivaji Marg, Najafgarh Road, New Delhi 110015, Contact: 011-48702000  
and Contact Details
- vii.** Whether listed company: Yes
- viii.** Name, Address and Contact details : ALANKIT ASSIGNMENTS LIMITED, 1E/13, of Registrar and Transfer Agent Jhandewalan Extn. New Delhi- 110055 Ph No. 011-42541959

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Foreign Exchange	64990	99.92
2	Tours, Travels & Air Ticketing	79110	0.08

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

S. NO	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	Paul Merchants Finance Private Limited, Ground Floor, SCO 829-830, Sector 22 A, Chandigarh	U65921CH2010PTC03246 2	Wholly Owned Subsidiary	100%	Section 2 (87)
2	PML Realtors Private Limited Second Floor, SCO 827-828, Sector 22A, Chandigarh	U70109CH2017PTC04180 7	Wholly Owned Subsidiary	100%	Section 2 (87)

3	Horizon Remit Sdn. Bhd. 14, Jalan Kemuja, (LOT 2, First Floor) Bangsar Utama, 59000 Kuala Lumpur	631085-P	Associate (Joint Venture)	19.42%	Section 2 (6)
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**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

*i) Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shar	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	645093	NIL	645093	62.75	645093	NIL	645093	62.75	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	102355	NIL	102355	9.96	102355	NIL	102355	9.96	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (A) (1):-</b>	<b>747448</b>	<b>NIL</b>	<b>747448</b>	<b>72.71</b>	<b>747448</b>	<b>NIL</b>	<b>747448</b>	<b>72.71</b>	<b>NIL</b>

(2) Foreign									
a) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL
<b>Sub-total (A) (2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>747448</b>	<b>NIL</b>	<b>747448</b>	<b>72.71</b>	<b>747448</b>	<b>NIL</b>	<b>747448</b>	<b>72.71</b>	<b>NIL</b>
<b>B.Public Shareholding</b>									
<b>1.Institutions</b>									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	7	NIL	7	0.0007	0.0007
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (B)(1):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>7</b>	<b>NIL</b>	<b>7</b>	<b>0.0007</b>	<b>0.0007</b>
<b>2.Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	771	NIL	771	0.075	360	NIL	360	0.035	(0.04)
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	129229	28799	158028	15.37	132489	24000	156489	15.22	(0.15)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	121100	NIL	121100	11.78	121100	NIL	121100	11.78	Nil
c) Others									
HUF	338	NIL	338	0.033	830	500	1330	0.13	0.097
NRI	288	NIL	288	0.028	1106	NIL	1106	0.107	0.079
Clearing Members	27	NIL	27	0.0026	160	NIL	160	0.016	0.0134
<b>Sub-total (B)(2):-</b>	<b>251753</b>	<b>28799</b>	<b>280552</b>	<b>27.29</b>	<b>256045</b>	<b>24500</b>	<b>280545</b>	<b>27.29</b>	<b>(0.0007)</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>251753</b>	<b>28799</b>	<b>280552</b>	<b>27.29</b>	<b>256052</b>	<b>24500</b>	<b>280552</b>	<b>27.29</b>	<b>NIL</b>

C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>999201</b>	<b>28799</b>	<b>1028000</b>	<b>100</b>	<b>1003500</b>	<b>24500</b>	<b>1028000</b>	<b>100</b>	<b>NIL</b>

(ii) *Shareholding of Promoters*

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Sat Paul Bansal	201100	19.56	0.00	0	0	0.00	(19.56)
2	Rajneesh Bansal	149746	14.57	0.00	149746	14.57	0.00	0.00
3	Sandeep Bansal	144507	14.06	0.00	144507	14.06	0.00	0.00
4	Sarita Rani Bansal	144500	14.06	0.00	345600	33.62	0.00	19.56
5	Nita Bansal	5240	0.51	0.00	5240	0.51	0.00	0.00
6	Paul Excursions (P) Ltd.	102355	9.96	0.00	102355	9.96	0.00	0.00
	<b>TOTAL</b>	<b>747448</b>	<b>72.71</b>	<b>0.00</b>	<b>747448</b>	<b>72.71</b>	<b>0.00</b>	<b>0.00</b>

(iii) *Change in Promoters' Shareholding (please specify, if there is no change)*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Sat Paul Bansal</b>				
	At the beginning of the year	201100	19.56	201100	19.56

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  Date: 24-05-2019 Reason: Decrease in shareholding during the year due to Inter-se transfer of shares among Promoters	(201100)	(19.56)	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
<b>2.</b>	<b>Rajneesh Bansal</b>				
	At the beginning of the year	149746	14.57	149746	14.57
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	149746	14.57	149746	14.57
<b>3.</b>	<b>Sandeep Bansal</b>				
	At the beginning of the year	144507	14.06	144507	14.06
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	144507	14.06	144507	14.06
<b>4.</b>	<b>Sarita Rani Bansal</b>				
	At the beginning of the year	144500	14.06	144500	14.06



	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  Date: 24-05-2019 Reason: Increase in shareholding during the year due to Inter-se transfer of shares among Promoters	201100	19.56	345600	33.62
	At the End of the year	345600	33.62	345600	33.62
<b>5.</b>	<b>Nita Bansal</b>				
	At the beginning of the year	5240	0.51	5240	0.51
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	5240	0.51	5240	0.51
<b>6.</b>	<b>Paul Excursions Private Limited</b>				
	At the beginning of the year	102355	9.96	102355	9.96
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	102355	9.96	102355	9.96

*(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>VIKRAM GUPTA</b>				
	At the beginning of the year	47600	4.63	47600	4.63
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	47600	4.63	47600	4.63
<b>2.</b>	<b>VINOD KUMAR GARG</b>				
	At the beginning of the year	44500	4.32	44500	4.32
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	44500	4.32	44500	4.32
<b>3.</b>	<b>SARITA GUPTA</b>				
	At the beginning of the year	29000	2.82	29000	2.82
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL

	At the End of the year (or on the date of separation, if separated during the year)	29000	2.82	29000	2.82
<b>4.</b>	<b>DIVYA SINGLA</b>				
	At the beginning of the year	6000	0.58	6000	0.58
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	6000	0.58	6000	0.58
<b>5.</b>	<b>HANISH GARG</b>				
	At the beginning of the year	5000	0.48	5000	0.48
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	5000	0.48	5000	0.48
<b>6.</b>	<b>ASHISH BANSAL</b>				
	At the beginning of the year	5000	0.48	5000	0.48
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	5000	0.48	5000	0.48

<b>7.</b>	<b>KOMAL SAINI</b>				
	At the beginning of the year	4937	0.48	4937	0.48
	Date wise <del>Increase/</del> Decrease in Share holding during the year (Sale of shares) (02-05-2019)	(42)	0.004	4895	0.47
	At the End of the year (or on the date of separation, if separated during the year)	4895	0.47	4895	0.47
<b>8.</b>	<b>ARVIND SINGLA</b>				
	At the beginning of the year	4892	0.47	4892	0.47
	Date wise <del>Increase/</del> Decrease in Share holding during the year (Sale of shares) (19-07-2019 to 26-07-2019)	(1)	0.00009	4891	0.47
	At the End of the year (or on the date of separation, if separated during the year)	4891	0.47	4891	0.47
<b>9.</b>	<b>SAURAV GARG</b>				
	At the beginning of the year	4873	0.47	4873	0.47
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	4873	0.47	4873	0.47
<b>10.</b>	<b>SAURAV GARG</b>				
	At the beginning of the year	4000	0.38	4000	0.38

	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	4000	0.38	4000	0.38
<b>11.</b>	<b>ROHIT BANSAL</b>				
	At the beginning of the year	4000	0.39	4000	0.39
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	4000	0.39	4000	0.39
<b>12.</b>	<b>MOHIT BANSAL</b>				
	At the beginning of the year	4000	0.38	4000	0.38
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	4000	0.38	4000	0.38
<b>13.</b>	<b>ASHOK BHATIA</b>				
	At the beginning of the year	4000	0.38	4000	0.38

	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	4000	0.38	4000	0.38

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the compan	No. of shares	% of total shares of the company
<b>1.</b>	<b>Sat Paul Bansal</b>				
	At the beginning of the year	201100	19.56	201100	19.56
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  Date: 24-05-2019 Reason: Decrease in shareholding during the year due to Inter-se transfer of shares among Promoters	(201100)	(19.56)	NIL	NIL
	At the End of the Year	NIL	NIL	NIL	NIL
<b>2.</b>	<b>Rajneesh Bansal</b>				
	At the beginning of the Year	149746	14.57	149746	14.57

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	149746	14.57	149746	14.57
<b>3.</b>	<b>Sandeep Bansal</b>				
	At the beginning of the year	144507	14.06	144507	14.06
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	144507	14.06	144507	14.06
<b>4.</b>	<b>Sarita Rani Bansal</b>				
	At the beginning of the year	144500	14.06	144500	14.06
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  Date: 24-05-2019 Reason: Increase in shareholding during the year due to Inter-se transfer of shares among Promoters	201100	19.56	345600	33.62
	At the End of the year	345600	33.62	345600	33.62



<b>5.</b>	<b>Dharam Pal Sharma</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
<b>6.</b>	<b>Uma Shankar Paliwal</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
<b>7.</b>	<b>Arjun Pandurang Ghugal</b>				
	At the beginning of the Year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
<b>8.</b>	<b>Ajay Arora</b>				

	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
<b>9.</b>	<b>Dilbag Singh Sidhu</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
<b>10.</b>	<b>Vigyan Prakash Arora</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
<b>11.</b>	<b>Bhupinder Kaur (CFO)</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
<b>12.</b>	<b>Hardam Singh (CS)</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

**V. INDEBTEDNESS:**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	13,01,535	Nil	Nil	13,01,535
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>13,01,535</b>	<b>Nil</b>	<b>Nil</b>	<b>13,01,535</b>

<b>Change in Indebtedness during the financial year</b>				
· Addition	62,86,987	Nil	Nil	62,86,987
· Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>62,86,987</b>	<b>Nil</b>	<b>Nil</b>	<b>62,86,987</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	75,88,522	Nil	Nil	75,88,522
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>75,88,522</b>	<b>Nil</b>	<b>Nil</b>	<b>75,88,522</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

*A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Sl. No.	Particulars Remuneration	Name of MD/ WTD/ Manager			Total Amount (in Rs)
		SAT PAUL BANSAL (CMD) (In Rs)	RAJNEESH BANSAL (ED) (In Rs)	DHARAM PAL SHARMA (WTD) (In Rs)	

1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,84,00,000	42,00,000	8,77,649	4,34,77,649
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	29,43,474	NIL	29,43,474
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	24,00,000/- Nil	24,00,000/- Nil	Nil NIL	48,00,000/- Nil
5.	Others, please specify	Nil	Nil	NIL	Nil
	<b>Total (A)</b>	<b>4,08,00,000</b>	<b>95,43,474</b>	<b>8,77,649</b>	<b>5,12,21,123</b>
	Ceiling as per the Act	Ceiling for Managerial Remuneration for the FY 2019-20 comes to Rs 2,30,73,296/-.  * The Remuneration of Managing Director and Whole Time Director had been approved by the Shareholders of the Company by way of Special Resolution passed on 30-09-2019 and remuneration of Executive Director was approved by the Shareholders of the Company by way of Special Resolution passed on 16-11-2018, wherein the Shareholders approved payment of the above remuneration, irrespective of the amount of profits of the Company. Vide the said Special Resolutions, the shareholders had further approved that the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to them may exceed the limits prescribed in Section 197 of the Companies Act, 2013.			

**B. Remuneration to other directors:**

Sl. no.	Particulars Remuneration	Name of Directors							Total Amount (In Rs)
		DILBAG SINGH SIDHU	VIGYAN PRAKASH ARORA	AJAY ARORA	UMA SHANKAR PALIWAL	ARJUN PANDURANG GHUGAL	SARITA RANI BANSAL	SANDEEP BANSAL	

1. Independent Directors									
• Fee for attending board/committee meetings	85,000	60,000	1,22,500	60,000	1,00,000	NA	NA	4,27,500	
• Commission	Nil	Nil	Nil	Nil	Nil	NA	NA	NIL	
• Others, please specify	Nil	Nil	Nil	Nil	Nil	NA	NA	NIL	
<b>Total (1)</b>	<b>85,000</b>	<b>60,000</b>	<b>1,22,500</b>	<b>60,000</b>	<b>1,00,000</b>	<b>NIL</b>	<b>NIL</b>	<b>4,27,500</b>	
2. Other Non-Executive Directors									
• Fee for attending board committee meetings	NA	NA	NA	NA	NA	NIL	NIL	NIL	
• Commission	NA	NA	NA	NA	NA	NIL	NIL	NIL	
• Others, please specify	NA	NA	NA	NA	NA	NIL	NIL	NIL	
<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	
<b>Total (B)=(1+2)</b>	<b>85,000</b>	<b>60,000</b>	<b>1,22,500</b>	<b>60,000</b>	<b>1,00,000</b>	<b>NIL</b>	<b>NIL</b>	<b>4,27,500</b>	
<b>Total Managerial Remuneration</b>								<b>516,48,623/-</b>	
Overall Ceiling as per the Act				Ceiling for other Directors Remuneration for the FY 2019-20 comes to Rs. 23,07,330/-, however the other directors have been paid remuneration only by way of sitting fee for attending the Board/Committee meetings and as per Section 197 (2) of the Companies Act, 2013, percentages for remuneration shall be exclusive of any fees (sitting fees) payable to directors under sub-section (5). As such, actual remuneration paid to other directors during the year is within the overall ceiling. However, overall ceiling for all the directors including Managing Director and Whole Time Directors comes to Rs. 2,53,80,625/- against which total remuneration of Rs. 516,48,623/- has been paid. As explained above, for payment of this remuneration, approval of the Shareholders of the Company by way of Special Resolution had been obtained.					

**C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (HARDAM SINGH)	CFO (BHUPINDER KAUR)	Total (Amount In Rs)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	There is no CEO in the Company	30,06,480	15,62,757	45,69,237
		Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
2.	Stock Option	Nil	NIL	Nil	Nil
3.	Sweat Equity	Nil	NIL	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	NIL	Nil	Nil
5.	Others, please specify	Nil	NIL	Nil	Nil
	Total	NIL	30,06,480	15,62,757	45,69,237



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment	Authority (RD/ NCLT made,/ Court)	Appeal if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For & On Behalf of the Board

For & On Behalf of the Board

(SAT PAUL BANSAL)  
CHAIRMAN CUM MANAGING DIRECTOR  
(DIN 00077499)

(RAJNEESH BANSAL)  
EXECUTIVE DIRECTOR  
(DIN 00077230)

PLACE: CHANDIGARH  
Date: August 18, 2020

**ANNEXURE D-4 TO THE DIRECTORS' REPORT**

**DETAILS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

<b>Rule</b>	<b>Particulars</b>		
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Mr. Sat Paul Bansal	139:1
		Mr. Rajneesh Bansal	32:1
		Mr. Dharam Pal Sharma	3 :1
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	Mr. Sat Paul Bansal, CMD *	-19%
		Mr. Rajneesh Bansal, ED #	35%
		Mr. Dharam Pal Sharma, Whole Time Director	4%
		Ms. Bhupinder Kaur, CFO !	NA
		Mr. Hardam Singh, Company Secretary	9%
		<p>* The change took place due to payment of installment of Special Incentive to CMD of Rs 2.4 Crores &amp; accrual of Commission on basis of profit in current year of Rs. 24 Lacs as compared to Rs. 3.6 crores Special incentive paid in previous year as per special approval of Shareholders. Otherwise the rate of Salary remained same.</p> <p># The change took place due to commission accrual of Rs 24 Lacs in current year, which is computed on the basis of profits.</p> <p>! Ms. Bhupinder Kaur, CFO has joined w.e.f. 07.02.2019, as such comparable figures in her case for the previous year are not available. Further, there is no CEO in the Company and there is no other Executive Director in the Company.</p>	
(iii)	The percentage increase in the median remuneration of employees in the financial year.	10%	
(iv)	The number of permanent employees on the rolls of the company.	387	
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the	Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year under review was 11%. Whereas there is decrease in the managerial remuneration of 12%.	

	managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	The Company hereby affirms that the remuneration paid is as per the remuneration policy of the Company
(vii)	The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules read with Section 197 (12) of the Act is given in <b>Annexure D-4 A</b> , which forms part of this report.
	Note: the above information has been compiled in the light of notification no G.S.R. (E). dated 30th June, 2016	

**For & On Behalf of the Board**

**For & On Behalf of the Board**

**(SAT PAUL BANSAL)**  
**CHAIRMAN CUM MANAGING DIRECTOR**  
 (DIN 00077499)

**(RAJNEESH BANSAL)**  
**EXECUTIVE DIRECTOR**  
 (DIN 00077230)

**PLACE: CHANDIGARH**  
**Date: August 18, 2020**

**Annexure D-4 A**

Sr.No.	Information	Details	Details	Details	Details	Details
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	Name of Employee	Hardam Singh	Ritesh Vaid	Manish Sharda	Shweta Srivastava	M V Nageswara Rao
2	Designation of the Employee	Company Secretary	National Sales Head	Assistant Vice President	Chief Technical Officer	Senior Area Manager
3	Remuneration Received (Rs)	30,06,480/-	2249244/-	1280433/-	1491815/-	1001229/-
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	CS, MBA & 22 Years Experience	MBA & 20 years Experience	B.com. & 24 Years Experience	PGDM – IT & 18 years Experience	M.Com & 21 Years
6	Date of commencement of employment	02-Jun-03	01-Oct-08	1-Nov-10	1-Aug-17	14-May-09
7	The age of such employee	46 Years	43 Years	44 Years	39 Years	45 Years
8	The last employment held by such employee before joining the company	Eider Infotech Ltd	Wall Street Finance (P) Ltd	HDFC Bank Ltd.	Savexpress Pvt Ltd.	TT Forex
9	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of rule 5(2)	Nil	Nil	Nil	Nil	Nil

10	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	No	No	No	No	No
11	DOB	21-Jun-74	15-Nov-76	02-Jan-76	26-Jun-79	27-Mar-75

Sr.No.	Information	Details	Details	Details	Details	Details
		6	7	8	9	10
1	Name of Employee	Rajni	Bhupinder Kaur	Puneet Kapoor	Sandeep Kumar Poonia	Ravi Kumar Rohilla
2	Designation of the Employee	Senior Area Manager	Chief Financial Officer	Area Manager-Business Development	General Manager	General Manager
3	Remuneration Received (Rs.)	992,097/-	15,62,757/-	1060385/-	1120386/-	936000/-
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	M.A (Music), MBA Pursuing & 12 Years	CA & 11 years Experience	PGDBM(14 years)	BBA (15 years)	BA 23 year
6	Date of commencement of employment	30-Nov-15	7 Feb-2019	15-Oct-18	1-May-19	7-Jun-19
7	The age of such employee	37 Years	35 Years	37 Years	34 Years	44 Years
8	The last employment held by such employee before joining the company	VKC Forex Ltd.	Punjab Communications Ltd	Matrix cellular international services Ltd	Matrix Forex Services Pvt. Ltd.	EBIXCASH WORLD MONEY LIMITED
9	The percentage of equity shares held by the employee in the company within the meaning of	Nil	Nil	Nil	Nil	Nil

	clause (iii) of rule 5(2)					
10	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	No	No	No	No	No
11	DOB	15-Apr-83	8-Aug-84	11-Nov-82	1-Jan-86	1-Jan-76

**NOTE:**

1. The above information is as on 31-03-2020
2. Gross remuneration shown above is subject to tax and salary including arrears, allowances, Perquisites, Incentives, leave encashment, Bonus, provident fund, in terms of actual expenditure incurred by the Company and commission.
3. During the Financial Year under review, there was no employee who, if employed throughout the financial year, was in receipt of remuneration in the aggregate, not less than one crore and two lakh rupees
4. During the Financial Year under review, there was no employee who, if employed for a part of the financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Eight Lakhs and Fifty Thousand Rupees per month
5. During the Financial Year under review, there was no employee who, if employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company

**For & On Behalf of the Board****For & On Behalf of the Board**

**(SAT PAUL BANSAL)**  
**CHAIRMAN CUM MANAGING DIRECTOR**  
(DIN 00077499)

**(RAJNEESH BANSAL)**  
**EXECUTIVE DIRECTOR**  
(DIN 00077230)

**PLACE: CHANDIGARH**  
**Date: August 18, 2020**

**ANNEXURE D-5 TO THE DIRECTORS' REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,  
Paul Merchants Limited,  
DSM 335, 336, 337, 3<sup>rd</sup> Floor,  
DLF Tower, 15, Shivaji Marg, Najafgarh Road,  
New Delhi- 110015.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PAUL MERCHANTS LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the PAUL MERCHANTS LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PAUL MERCHANTS LIMITED ("the Company") for the financial year ended on March 31, 2020 under the provisions of below mentioned regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and



- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014: Not Applicable, as the Company did not provide any shares based benefits to the employees during the year.
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not applicable as the Company has not issued any securities during the financial year under review.
  - f) The erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Not applicable as the Company has not issued any debt securities during the financial year under review.
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 including the amendments thereof- Not applicable as the Company has not delisted any securities from any stock exchange during the financial year under review.
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not applicable as the Company has not bought back any of its securities during the financial year under review.
- (vi) The major provisions and requirements prescribed under all applicable Labour laws viz. The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Employee's State Insurance Act, 1948, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972 etc.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on BSE Limited to the extent applicable to the company;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking

and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. All decisions are carried through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The Company has proper board processes.

Based on the compliance mechanism established by the Company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers, I am of an opinion that:

1. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
2. Based on the examination of the relevant documents and records on test check basis, the Company has Complied with the following laws specifically applicable to the Company:
  - a) The Reserve Bank of India Act, 1934
  - b) The Finance Act, 2016
  - c) Prevention of Money Laundering Act, 2002 and the Prevention of Money Laundering (Amendment) Act, 2012.

I further report that, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Shimla  
Date: 08.07.2020

UDIN: A046547B000427620

ANIL NEGI  
ACS No. 46547  
C P No.: 17213

**ANNEXURE D-5A****Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,  
Paul Merchants Finance Private Limited,  
Ground Floor, S.C.O. 829-830,  
Sector 22-A, Chandigarh- 160022.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PAUL MERCHANTS FINANCE PRIVATE LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the PAUL MERCHANTS FINANCE PRIVATE LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PAUL MERCHANTS FINANCE PRIVATE LIMITED ("the Company") for the financial year ended on March 31, 2020 under the provisions of below mentioned regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- (v) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; to the extent applicable to the company, being a material subsidiary of a listed company.

- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company being an unlisted company:
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014: Not Applicable, as the Company did not provide any shares based benefits to the employees during the year.
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not applicable as the Company has not issued any securities during the financial year under review.
  - d) The erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Not applicable as the Company has not issued any debt securities during the financial year under review.
  - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
  - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 including the amendments thereof- Not applicable as the Company has not delisted any securities from any stock exchange during the financial year under review.
  - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not applicable as the Company has not bought back any of its securities during the financial year under review.
- (vii) The major provisions and requirements prescribed under all applicable Labour laws viz. The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Employee's State Insurance Act, 1948, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972 etc.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable being a material subsidiary of a listed company.

During the period under review the Company has complied with the provisions of the applicable Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable to the company.

Based on our examination and the information received and records maintained, I further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no

changes in the composition of the Board of Directors of the company during the audit period.

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions are carried through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The Company has proper board processes.

Based on the compliance mechanism established by the Company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers, I am of an opinion that:

1. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
2. Based on the examination of the relevant documents and records on test check basis, the Company has Complied with the following laws specifically applicable to the Company:
  - d) The Reserve Bank of India Act, 1934
  - e) The Finance Act, 2016
  - f) Prevention of Money Laundering Act, 2002 and the Prevention of Money Laundering (Amendment) Act, 2012.
  - g) Master Directions issued by the Reserve Bank of India as applicable to the Company.

I further report that, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Shimla  
Date: 31.07.2020

UDIN: A046547B000539754

ANIL NEGI  
ACS No. 46547  
C P No.: 17213

**ANNEXURE D-6 TO THE DIRECTORS' REPORT**

**FORM NO. AOC-1**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

<b>1</b>	<b>Sl. No.</b>	<b>1</b>	<b>2</b>
2	Name of the subsidiary	Paul Merchants Finance Private Limited	PML Realtors Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Different	Not Different
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not Different	Not Different
5	Share capital	31,01,71,750	25,00,00,000
6	Reserves & surplus	1,13,88,95,978	26,42,380
7	Total assets	2,86,02,59,506	25,28,16,057
8	Total Liabilities	1,41,11,91,778	1,73,677
9	Investments	-	2,93,575
10	Turnover	43,51,77,553	-
11	Profit before taxation	19,83,85,083	16,13,512
12	Provision for taxation	4,72,23,187	41,113
13	Profit after taxation	15,11,61,896	15,72,398
14	Proposed Dividend	1,24,06,870	-
15	% Shareholding	100%	100%

**Notes :**

- Names of Subsidiaries which are yet to commence operations - NIL
- Names of Subsidiaries which have been liquidated or sold during the year - NIL

**Part "B" : Associates and Joint Ventures**  
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates/Joint Ventures		Horizon Remit Sdn. Bhd.,Malaysia
<b>1</b>	Latest audited Balance Sheet Date	31-12-2019
<b>2</b>	Shares of Joint Venture held by the company on the year end:-	
	No. of shares	16,93,797
	Amount of Investment in Associates/Joint Venture	Rs. 3,04,72,125
	Extend of Holding %	19.424%
<b>3</b>	Description of how there is significant influence	Joint Venture
<b>4</b>	Reason why the associate/joint venture is not consolidated	Consolidated
<b>5</b>	Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs. 27,10,689
<b>6</b>	Profit / (Loss) for the year	
	i. Considered in Consolidation	(29,82,884.03)
	ii. Not Considered in Consolidation	(1,23,73,808.85)

1. Names of associates or joint ventures which are yet to commence operations. NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year. NIL
3. There is no other Associate or Joint Venture Company.
4. Amount of Investment in Joint Venture has been taken at cost
5. Conversion rate as on 31 March, 2020 has been taken as Rs. 17.45 for one Malaysian Ringitt.

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified

**For & On Behalf of the Board**

**For & On Behalf of the Board**

**(SAT PAUL BANSAL)**  
**CHAIRMAN CUM MANAGING DIRECTOR**  
 (DIN 00077499)

**(RAJNEESH BANSAL)**  
**EXECUTIVE DIRECTOR**  
 (DIN 00077230)

**HARDAM SINGH**  
**COMPANY SECRETARY**  
**FCS-5046**

**BHUPINDER KAUR**  
**CHIEF FINANCIAL OFFICER**  
**FCA-508485**

**PLACE: CHANDIGARH**  
**Date: August 18, 2020**



**ANNEXURE D-7 TO THE DIRECTORS' REPORT**

**ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20**

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:-

**Our CSR Vision**

"To actively contribute to the social and economic development of the communities in which we operate. In so doing, to build a better, sustainable way of life for the weaker sections of society and to raise the country's human development index".

PML is vigilant in its enforcement towards corporate principles and is committed towards sustainable development and inclusive growth. The company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objective. It also pursues initiatives related to quality management, environment preservation and social awareness.

**OUR CSR MISSION**

The mission of our CSR projects are to –

- Demonstrate commitment to the common good through responsible business practices and good governance
- Actively support the state's development agenda to ensure sustainable change
- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models
- Engender a sense of empathy and equity among employees of PML to motivate them to give back to the society

**PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN**

Any activity as provided in the Schedule VII of the Companies Act, 2013 as decided by the CSR Committee as per the CSR Policy of the Company. During the year under review, the Company has undertaken CSR activities as per report given under point no. 5.

The CSR Policy of the Company is available on the website of the Company under the following weblink:-

<http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2020/07/CORPORATE-SOCIAL-RESPONSIBILITY-POLICY.pdf>

2. The composition of the CSR Committee as on 31-03-2020:-

Sh. Sandeep Bansal	Non Executive Director, Chairman
Sh. Rajneesh Bansal	Executive Director, Member
Sh. Vigyan Prakash Arora	Non Executive Independent Director, Member

**3. Average net profit of the company for last three financial years :-** Rs. 23,17,29,569/- (Rupees Twenty Three Crore Seventeen Lakhs Twenty Nine Thousand Five Hundred Sixty Nine Only)

**4. Prescribed CSR Expenditure (2 % of the amount as in item 2 above) :-** Rs. 46,34,591/-

Rounded off to Rs. 46,50,000/- (Rupees Forty Six Lakhs Fifty Thousand Only) while approving the budget.

**5. Details of CSR spent during the financial year:-**

- a. Total amount to be spent for the financial year; - Rs. 46,50,000/-
- b. Amount actually spent during the year :- Rs. 48,94,450/-
- c. Amount unspent, if any; NIL
- d. Manner in which the amount spent during the financial year is detailed below.

1	2	3	4	5	6	7	8
S.No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise for the FY 2019-20 (In Rs.)	Amount spent on the projects or programs Subheads: for the FY 2019-20 (1) Direct expenditure on projects or programs (2) Overheads (in Rs.)	Cumulative expenditure upto the reporting period for FY 2019-20. (In Rs.)	Amount spent: Direct or through implementing agency
1.	Promoting Health Care	Ambulance Service	Local State: Punjab Distt: Barnala	1,32,000/-	Direct –1,32,000/- Overheads: Nil	1,32,000/-	Through Implementing Agency M/s Mini Sahara Welfare Club (Regd.), Tapa Mandi
2.	Promoting Health Care	Upkeep of the Shelter house GMCH Sec 32, Chandigarh (known as Panaah) built for patients & their attendants staying there	Local State & Distt. - Chandigarh	1,31,392/-	Direct –Nil Overheads: 1,31,392/-	1,31,392/-	Direct
3.	Promoting Health Care	Running a Multi Utility Vehicle to Disability Assessment Rehabilitation and Triage Centre, Govt	Local State & Distt. - Chandigarh	2,83,249/-	Direct – 2,72,700/- Overheads: 10,549	2,83,249/-	Direct

		Hospital, Sector 32, Chandigarh					
4.	Promoting Health Care	On construction of Diagnostic Centre at Panchkula for the purpose of providing free diagnostic services to needy and weaker section of the Society	Local	8,25,000/-	Direct – 8,25,000/-	8,25,000/-	Through implementing agency Maharaja Aggarsain Charitable Trust, Panchkula
			State- Haryana Distt. Panchkula		Overheads: Nil		
5.	Promoting Health Care	Drugs and Wellness for All in Indigence (DWAI) Project, whereby medicines are collected from households and distributed free of cost to poor and needy people.	Local	2,27,149/-	Direct – 2,27,149/-	2,27,149/-	Direct: 66,979/-
			State & Distt. - Chandigarh		Overheads: Nil		Through implementing agency "Parivartan", NGO, Chandigarh : 1,60,170/-
6	Promoting Health Care	DOST (Doorstep Oral Screening & Testing) Project	Local	1,99,328/-	Direct – 1,99,328/-	1,99,328/-	Direct: 35,828/- Through implementing agency "Parivartan", NGO, Chandigarh : 1,63,500/-
			State & Distt. - Chandigarh		Overheads: Nil		
7	Promoting Health Care	Purchase of Echo Car for Patients at Pannah GMCH-32 Chandigarh for the above DWAI and DOST project	Local	4,05,669/-	Direct – 4,05,669/-	4,05,669/-	Direct. However, the Vehicle will be operated through implementing agency "Parivartan", NGO, Chandigarh
			State & Distt. - Chandigarh		Overheads: Nil		
8	Promoting Health Care	Rehabilitation at Home and Community Treatment (Rahat) Project, under which treatment and Community Based Rehabilitation (CBR) Services for the abandoned Psychiatric Patients shall be provided	Local	1,42,087/-	Direct – 1,42,087/-	1,42,087/-	The Project will be implemented through implementing agency "Parivartan", NGO, Chandigarh
			State & Distt. - Chandigarh		Overheads: Nil		

9	Eradicating Hunger	Organizing Community Lunch	Local	11,000/-	Direct: 11,000/-	11,000/-	Through Implementing Agency Shiv Shakti Sewa Mandal, Chandigarh
			State & Distt. - Chandigarh		Overheads: Nil		
10	Eradicating Hunger	Organizing Community Lunch	Local	3,06,637/-	Direct – 3,06,637/-	3,06,637/-	Direct
			State & Distt. - Chandigarh		Overheads: Nil		
11	Eradicating Hunger	Organizing Community Lunch	Local	4,53,600/-	Direct - 4,53,600/-	4,53,600/-	Through Implementing Agency Shree Mata Mansa Devi Bhandara Committee, Panchkula
			State- Haryana Distt- Panchkula		Overheads: Nil		
12	Eradicating Hunger	Organizing Community Lunch	Local	89,114/-	Direct – 89,114/-	89,114/-	Through Implementing Agency Shri Shiv Manas Mandir Dham
			State & Distt. - Chandigarh		Overheads: Nil		
13	Animal Welfare	Supply of Fodder for Cows	Local	43,200/-	Direct – 43,200/-	43,200/-	Through Implementing Agency Shri Shirdi Sai Smaj Trust, Chandigarh
			State & Distt. - Chandigarh		Nil		
14	Animal Welfare	Supply of Fodder for Cows	Local	96,000/-	Direct – 96,000/-	96,000/-	Through Implementing Agency Tapasvi Sant Baba Balwant Muni Ji Gaushala, Tapa Mandi, Distt Barnala
			State-Punjab Distt. -Barnala		Nil		
15	Setting Up Old Age Home	Setting up of an Old Age Home at Kolkatta	Local	10,00,000/-	Direct – 10,00,000/-	10,00,000/-	Through Implementing Agency M/s Jeevan Sandhya Foundation, Kolkatta
			State: West Bengal Distt. – Kolkatta		Overheads: Nil		
16	Promoting Education	Scholarship to Bright and needy Girl Students of DAV School, Sector 7, Chandigarh	Local	4,71,600/-	Direct – 4,71,600/-	4,71,600/-	Direct
			State & Distt. - Chandigarh		Overheads: Nil		
17	Promoting employment enhancing vocational skills	Running of Training Centre for providing free cost training in Stitching & Tailoring Activities for needy Women	Local	77,425/-	Direct – 77,425/-	77,425/-	Direct
			State: Punjab Distt: Barnala		Overheads: Nil		
TOTAL					Direct–47,52,509/-		
					Overheads–1,41,941/-		
					Total- 48,94,450/-		

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The CSR Committee do hereby certify that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

**Sd/-  
Sat Paul Bansal  
(DIN 0077499)  
(Chairman cum Managing Director)**

**For & On Behalf of the Board**

**(SAT PAUL BANSAL)  
CHAIRMAN CUM MANAGING DIRECTOR  
(DIN 0077499)**

**Sd/-  
(Sandeep Bansal)  
(DIN 0094391)  
(Chairman CSR Committee)**

**For & On Behalf of the Board**

**(RAJNEESH BANSAL)  
EXECUTIVE DIRECTOR  
(DIN 00077230)**

**PLACE: CHANDIGARH  
Date: August 18, 2020**

**ANNEXURE D-8 TO THE DIRECTORS' REPORT**

<b>Details of Loans</b>			
<b>Sr. No.</b>	<b>Name of Entity/Person</b>	<b>Amount (in Rs.)</b>	<b>Purpose</b>
1	Paul Merchants Finance (P) Ltd	66,81,50,001 /- *	Net Working Capital Loan availed by Subsidiary during current year
*Total Balance outstanding as on 31-03-2020 is Rs. 1,01,71,50,001			
<b>Details of Guarantees and Securities</b>			
<b>Sr. No.</b>	<b>Name of Entity/Person</b>	<b>Amount</b>	<b>Purpose</b>
1	During the Financial year 2018-19, Rs. 20 crore Corporate guarantee issued to ICICI Bank Limited and Rs. 20 Crore to Kotak Mahindra Bank Limited respectively for Working capital loan availed by Paul Merchants Finance Private Limited, the Wholly Owned Subsidiary of the Company. During the Financial Year 2019-20 there was no change in the amount of Corporate Guarantee and as at 31-03-2020 the aforesaid amount of Guarantee stands valid.		
2	As on 31-03-2020, Tax Free bonds of Rs. 2821 Lakhs stands pledged by the Company with Kotak Mahindra Bank Limited for securing Working Capital Loan taken by Paul Merchants Finance Private Limited, the Wholly Owned Subsidiary of the Company		
3	Mortgaged its property known as SCO 827-828, Sector 22-A, Chandigarh in favour of ICICI Bank Limited to secure loan facilities sanctioned by the bank to M/s Paul Merchants Finance Private Limited, the Wholly Owned Subsidiary of the Company, amounting to Rs. 20 Crore. Outstanding Balance of the said loan as on 31st March is Rs 14,95,84,756.43		

**Details of Investments**

**A. Investment in Mutual Funds**

<b>Sr No.</b>	<b>Name of Entity/Person</b>	<b>Amount (Rs.)</b>	<b>Purpose</b>
1	Aditya Birla Sun Life Corporate Bond Fund	29,519	To park surplus funds
2	Aditya Birla Sun life Pure Value Fund	8,15,491	-do-
3	Axis Focused 25 Fund Direct Plan Growth	8,12,264	-do-
4	Axis Liquid Fund	1,08,433	-do-
5	HDFC Liquid Fund Direct Plan Growth	2,18,207	-do-
6	HDFC Capital Builder Fund- Growth	9,05,502	-do-
7	HDFC MID-CAP Opportunities Fund - Growth	1,32,229	-do-

8	HDFC Small Cap Fund Direct Plan Growth	5,88,248	-do-
9	HDFC Equity Saving Fund Direct Plan Growth	4,20,528	-do-
10	L&T India Value Fund-Regular Plan -Growth	4,39,893	-do-
11	L&T Liquid Fund	4,39,898	-do-
12	L&T India Value Fund Direct Plan Growth	2,42,156	-do-
13	IDFC Fixed Term Plan Series 149 Direct Plan	3,45,24,600	-do-
14	IDFC Sterling Equity Fund Regular Plan Growth 2089	5,44,470	-do-
15	Kotak Liquid Fund	1,06,871	-do-
16	Kotak Standard Multi cap Fund Direct Plan Growth	7,40,425	-do-
17	Mirae Asset Cash Management Fund	1,07,002	-do-
18	Mirae Asset India Equity Fund Direct Plan	7,37,142	-do-
19	ASK Investment Manager Limited- Domestic Resurgence PMS	21,31,456	-do-
20	ASK Investment Managers Limited IEP PMS A/C	21,11,143	-do-

**B. Investments in Tax Free Bonds -Quoted at FVTPL- Pledged \***

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	7.03 % Housing and Urban Development Corporation Limited	1,24,14,435	To park surplus funds
2	8.56 % Housing and Urban Development Corporation Limited	2,58,62,227	-do-
3	8.48% India Infrastructure Finance Company Limited	6,12,28,318	-do-
4	8.54% Power Finance Corporation Limited	6,08,41,167	-do-
5	Rural Electrification Corporation Limited	2,32,92,342	-do-
6	7.22% Rural Electrification Corporation Limited	1,37,73,752	-do-
7	7.55% Indian Railway Finance corporation	2,11,22,978	-do-
8	8.20% NHAI 2022	2,16,36,519	-do-
9	8.20% Power Finance Corporation Ltd	1,50,91,658	-do-
10	7.62% HUDCO 11 Nov 21	2,10,93,559	-do-
11	8.23% IRFC 18 Feb 24	57,91,680	-do-

**C. Investments in Listed Non-convertible Debentures -Quoted at FVTPL**

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
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1	Kotak Mahindra Prime Limited 8.70% MLD	4,60,52,000	To park surplus funds
2	Aditya Birla Finance Limited MLD NCD	3,35,31,000	-do-
3	HDB Financial Services Limited MLD	3,30,66,000	-do-
4	Muthoot Finance Limited 9.5% MLD	10,03,210	-do-
5	Tata Capital Financial Services Ltd MLD	2,21,44,000	-do-
6	Tata Capital Financial Services Ltd MLD ASK	3,30,21,000	-do-

**D. Investments in Bonds and debentures -Unquoted at FVTPL**

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	Rural Electrification Corporation Limited -Capital Gain Bonds	51,96,875	To park surplus funds

**E. Investments in Preference Shares- Quoted at FVTPL**

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	6% Zee Entertainment Enterprises Limited	89,04,384	To park surplus funds

**F. Investments in Equity- Unquoted at FVTPL**

Sr No.	Name of Entity/Person	Amount (Rs.)	Purpose
1	Aventus Enhanced Return Fund Class A1 Folio No. 32	1,57,00,931	To park surplus funds
2	India Real Estate Fund	1,95,14,800	-do-

<b>GRAND TOTAL OF INVESTMETNS</b>	<b>54,64,38,313</b>
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\*Note: Investments measured at Fair Value through Profit & Loss

For & On Behalf of the Board

For & On Behalf of the Board

(SAT PAUL BANSAL)  
CHAIRMAN CUM MANAGING DIRECTOR  
(DIN 00077499)

(RAJNEESH BANSAL)  
EXECUTIVE DIRECTOR  
(DIN 00077230)

PLACE: CHANDIGARH  
Date: August 18, 2020

**ANNEXURE D-9 TO THE DIRECTORS' REPORT**

**FOR M NO. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis - **NIL**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	/
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at Arm's length basis.

<b>Name(s) of the related party and nature of relationship</b>	<b>Bhupinder Kaur – Chief Financial Officer</b>
<b>Nature of contracts/arrangements/transactions</b>	Salary, Incentive & Performance Bonus Paid
<b>Duration of the contracts/arrangements/transactions</b>	No Fixed Tenure
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	i. Salary is payable per month ii. Annual Performance Bonus iii. Annual Incentive  Annual Remuneration paid during the FY 2019-20 is Rs. 15,62,757/-
<b>Date(s) of approval by the Board, if any</b>	07.02.2019
<b>Amount paid as advances, if any:</b>	NIL.
<b>Name(s) of the related party and nature of relationship</b>	<b>Dharam Pal Sharma – Whole Time Director &amp; Designated Director (DIN 07284332)</b>
<b>Nature of</b>	Salary, Incentive & Performance Bonus

<b>contracts/arrangements/transactions</b>	Paid	
<b>Duration of the contracts/arrangements/transactions</b>	From 09/11/2015 to 31/03/2020	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	i. Salary is payable per month ii. Annual Performance Bonus iii. Annual Incentive  Annual Remuneration paid during the FY 2019-20 is Rs. 8,77,649/-	
<b>Date(s) of approval by the Board, if any</b>	07.02.2019 & 06.08.2019	
<b>Amount paid as advances, if any:</b>	NIL.	
<b>Name(s) of the related party and nature of relationship</b>	Hardam Singh – Company Secretary	
<b>Nature of contracts/arrangements/transactions</b>	Salary, Incentive & Performance Bonus Paid	
<b>Duration of the contracts/arrangements/transactions</b>	No Fixed Tenure	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	i. Salary is payable per month ii. Annual Performance Bonus iii. Annual Incentive  Annual Remuneration paid during the FY 2019-20 is Rs. 30,06,480/-	
<b>Date(s) of approval by the Board, if any</b>	07.02.2019	
<b>Amount paid as advances, if any:</b>	NIL.	
<b>Name(s) of the related party and nature of relationship</b>	Rajneesh Bansal - Executive Director (DIN 00077230)	
<b>Nature of contracts/arrangements/transactions</b>	Rent Agreement in respect of Shop No. 3, 4A,4B & 4C, Lower Ground Floor, Alfa Estate Building, Jalandhar	
<b>Duration of the contracts/arrangements/transactions</b>	01/04/2019 to 31/03/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	Rate of Rent	Rs. 39,672/- per month from 01.04.2019 to 31.03.2020
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
<b>Date(s) of approval by the Board, if any</b>	12.02.2013	
<b>Amount paid as advances, if any:</b>	Rent is paid in advance on monthly basis.	
<b>Name(s) of the related party and nature</b>	Rajneesh Bansal - Executive Director (DIN 00077230)	

<b>of relationship</b>		
<b>Nature of contracts/arrangements/transactions</b>	Rent Agreement in respect of Shop No. 1A, Ground Floor, Mcleodganj, Dharamshala	
<b>Duration of the contracts/arrangements/transactions</b>	01/04/2017 to 31/03/2020 and renewed thereafter w.e.f. 01/04/2020 to 31/03/2023	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	Rate of Rent	Rs. 73,467/- per month from 01.04.2019 to 31.03.2020
	Annual Increase	8%
	Local Levies	Payable by the Lessee.
<b>Date(s) of approval by the Board, if any</b>	07.02.2014	
<b>Amount paid as advances, if any:</b>	Rent is paid in advance on monthly basis.	

<b>Name(s) of the related party and nature of relationship</b>	<b>Rajneesh Bansal - Executive Director (DIN 00077230)</b>
<b>Nature of contracts/arrangements/transactions</b>	Salary & Commission
<b>Duration of the contracts/arrangements/transactions</b>	01.04.2015 to 31.03.2020
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<ul style="list-style-type: none"> <li>i. Salary is payable per month</li> <li>ii. Rent Free accommodation is valued on notional rent basis and Electricity and water expenses paid therein are taken on actual paid basis</li> <li>iii. Commission @ 2% of the Net Profits is payable at the end of the FY on recommendation of the Nomination &amp; Remuneration Committee</li> </ul> <p>Annual Remuneration paid during the FY 2019-20 is Rs. 95,43,474/- including Commission.</p>
<b>Date(s) of approval by the Board, if any</b>	08-10-2018
<b>Amount paid as advances, if any:</b>	Nil.
<b>Name(s) of the related party and nature of relationship</b>	<b>Sat Paul Bansal – Chairman Cum Managing Director</b>
<b>Nature of contracts/arrangements/ transactions</b>	Salary, One time Incentive & Commission
<b>Duration of the contracts/ arrangements/transactions</b>	From 01.04.2019 to 31.03.2024

<p><b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b></p>	<p>i. Salary is payable per month                      ii. One time Incentive                      iii. Commission @ 2% of the Net Profits is payable at the end of the FY on recommendation of the Nomination &amp; Remuneration Committee</p> <p>Annual Remuneration paid during the FY 2019-20 is Rs. 4,08,00,000/- including Commission</p>	
<p><b>Date(s) of approval by the Board, if any</b></p>	<p>06-08-2019</p>	
<p><b>Amount paid as advances, if any:</b></p>	<p>Nil.</p>	
<p><b>Name(s) of the related party and nature of relationship</b></p>	<p><b>Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company</b></p>	
<p><b>Nature of contracts/arrangements/transactions</b></p>	<p>Rent Agreement for taking the Office Premises at 1<sup>st</sup> Half on 1st Floor, above Matrix Saloon, Near Kessal Mall, Kurukshetra, bearing SCO No. 39, Sector -17, Kurukshetra, Haryana on rent.</p>	
<p><b>Duration of the contracts/arrangements/transactions</b></p>	<p>From 01/03/2018 to 31/12/2026</p>	
<p><b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b></p>	<p><b>Rate of Rent</b></p>	<p>Rs. 9000/- per month from 01.04.2019 to 31.03.2020</p>
	<p><b>Annual Increase</b></p>	<p>In case future rent is revised between Paul Merchants Finance (P) Ltd and the actual landlord, then the Company will pay 50% of the rent payable by Paul Merchants Finance (P) Ltd.</p>
	<p><b>Local Levies</b></p>	<p>50% of Utility Bills shall be paid by M/s Paul Merchants Ltd. on actual usage basis (GST as applicable shall be paid by the Lessee)</p>
<p><b>Date(s) of approval by the Board, if any</b></p>	<p>14.02.2018</p>	
<p><b>Amount paid as advances, if any:</b></p>	<p>Rent is paid in advance on monthly basis.</p>	
<p><b>Name(s) of the related party and nature of relationship</b></p>	<p><b>Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company</b></p>	
<p><b>Nature of contracts/arrangements/transactions</b></p>	<p>Rent Agreement for giving a portion measuring 200 Sq.ft. approx. at Ground Floor of SCO 829-830, Sector 22-A, Chandigarh on rent and thereafter the</p>	

	demised portion area increased to 600 Sq. Ft. at said Premises w.e.f. 01.06.2019	
<b>Duration of the contracts/arrangements/transactions</b>	15/09/2016 to 14/09/2019 & revised 01/06/2019 to 31/05/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 49,658/- per month from 01.04.2019 to 31.05.2019 and Rs. 75,000/- per month w.e.f. 01.06.2019
	<b>Annual Increase</b>	7%
	<b>Local Levies</b>	Local levies, Server expenses and utility bills included in rent. (GST payable by the Lessee)
<b>Date(s) of approval by the Board, if any</b>	17.08.2012 & 14.05.2019	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	
<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company</b>	
<b>Nature of contracts/arrangements/transactions</b>	Rent Agreement for giving a portion of Shop No. 37, Lower Ground floor, Handa's City Centre, opposite Bus Stand, G.T. Road, Phagwara, Distt. Kapurthala on rent	
<b>Duration of the contracts/arrangements/ transactions</b>	01/04/2019 to 31/03/2022 (Discontinued the rent Agreement w.e.f. 01.10.2019)	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 15,488/- per month from 01.04.2019 to 31.05.2019 and Rs. 17,037/- w.e.f. 01.06.2019
	<b>Annual Increase</b>	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent payable by the Company.
	<b>Local Levies</b>	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Merchants

	Finance (P) Ltd.	
<b>Date(s) of approval by the Board, if any</b>	11.02.2016	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	
<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving a portion of Ground Floor, Shop No. 3039A, Sharma Complex House Road, Opp. Traffic Police, Bathinda on rent.	
<b>Duration of the contracts/ arrangements/ transactions</b>	01/04/2016 to 31/05/2020	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 13,225/- per month from 01.04.2019 to 31.03.2020
	<b>Annual Increase</b>	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent payable by the Company.
	<b>Local Levies</b>	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Merchants Finance (P) Ltd.
<b>Date(s) of approval by the Board, if any</b>	11.02.2016	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	
<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving a portion of SCO no. 14, 1st floor, Green Park Avenue, Canal Colony, Pakhowal Road, Ludhiana on rent	
<b>Duration of the contracts/ arrangements/ transactions</b>	01/06/2017 to 21/04/2026	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 37,302/- per month from 01.04.2019 to 30.04.2019 and Rs. 38,587/- per month from 01.05.2019 to



		31.03.2020
	<b>Annual Increase</b>	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent payable by the Company.
	<b>Local Levies</b>	50% of Utility bills, property tax, security guard and any other taxes/ expenses shall be payable by Paul Merchants Finance (P) Ltd.
<b>Date(s) of approval by the Board, if any</b>	29.05.2017	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	
<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving a portion measuring 2275 Sq. Ft. at 2 <sup>nd</sup> Floor of SCO 827-828, Sector 22-A, Chandigarh	
<b>Duration of the contracts/ arrangements/transactions</b>	01/06/2019 to 31/05/2022 (Discontinued the Rent Agreement w.e.f. 01.07.2019)	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 2,60,000/- per month from 01.06.2019 to 31.03.2020
	<b>Annual Increase</b>	There shall be an increase of 7% over the last paid monthly at the end of every 12 months.
	<b>Local Levies</b>	Shall be payable by Paul Merchants Finance (P) Ltd. on proportionate basis.
<b>Date(s) of approval by the Board, if any</b>	14.05.2019	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	
<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving a portion measuring 18198 Sq. Ft. of the built up Godown site owned by the Company situated at Vakia Mauja Pabhat, Hadbast	

	No. 234, Tehsil Derabassi, District S.A.S. Nagar, Mohali on rent.	
<b>Duration of the contracts/arrangements/transactions</b>	14/02/2020 to 13/02/2023	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 10,000/- per month from 14.02.2020 to 31.03.2020
	<b>Annual Increase</b>	There shall be an increase of 7% in the amount of rent every year over the last paid rent
	<b>Local Levies</b>	Shall be payable by Paul Merchants Finance (P) Ltd. on proportionate basis.
<b>Date(s) of approval by the Board, if any</b>	13.02.2020	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	
<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. – Wholly Owned Subsidiary Company</b>	
<b>Nature of contracts/arrangements/transactions</b>	Rent Agreement for giving a portion of Shop situated at Jubilee Cinema Chowk, College Road, Opp. Canara Bank, College Road, Faridkot on rent.	
<b>Duration of the contracts/arrangements/transactions</b>	16/08/2018 to 30/04/2020 (Discontinued the Rent Agreement w.e.f. 01.07.2019)	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 6500/- plus GST per month from 01.04.2019 to 31.03.2020
	<b>Annual Increase</b>	In case future rent is revised between the Company and the actual landlord, then Paul Merchants Finance (P) Ltd. will pay 50% of the rent payable by the Company.
	<b>Local Levies</b>	50% of Electricity Bills, & GST shall be payable by Paul Merchants Finance (P) Ltd.
<b>Date(s) of approval by the Board, if any</b>	13.08.2018	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly	

	basis.	
<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. (PMFPL)– Wholly Owned Subsidiary Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Commission earned on Domestic Money Transfer (DMT) Services	
<b>Duration of the contracts/ arrangements/transactions</b>	Perpetual Distributor Agreement dated 16.11.2015 & Amendment Agreement dated 10.02.2017 vide which the Company is acting as a Distributor of Paul Merchants Finance (Pvt.) Ltd for offering DMT Services	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate</b>	On every Transaction of DMT processed by the Company, the Company is entitled to 2/3 <sup>rd</sup> of the Gross Commission. There are two models of funds settlement. Under one mode, the service charges received from the customer are passed on to PMFPL after retaining the commission and in second model, entire Service charges received from the customer are passed on to PMFPL and PMFPL releases the commission to the Company. Accordingly, a sum of Rs. 12,32,172/- has been earned by the Company as Gross Commission under this Model.
	<b>Annual Increase</b>	NA
<b>Date(s) of approval by the Board, if any</b>	Perpetual Distributor Agreement approved on 09.11.2015 & Amendment Agreement was approved on 09.02.2017	
<b>Amount paid as advances, if any:</b>	As mutually agreed from time to time.	
<b>Name(s) of the related party and nature</b>	<b>Paul Merchants Finance (Pvt.) Ltd.</b>	

<b>of relationship</b>	<b>(PMFPL) – Wholly Owned Subsidiary Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Service charges received for INDO-NEPAL Money Transfer Services	
<b>Duration of the contracts/ arrangements/ transactions</b>	Addendum dated 17.11.2018 to the Perpetual Distributor Agreement dated 16.11.2015, vide which the Company is acting as a Distributor of PMFPL for offering Indo Nepal Money Transfer Services	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate</b>	On every Transaction of Indo Nepal Money Transfer, the Company is entitled to 2/3 <sup>rd</sup> of the Gross Commission. A sum of Rs. 5,35,310/- has been received as commission from Paul Merchants Finance (Pvt.) Ltd on this account.
	<b>Annual Increase</b>	NA
<b>Date(s) of approval by the Board, if any</b>	Addendum approved on 13.11.2018, Perpetual Distributor Agreement approved on 09.11.2015 & Amendment Agreement approved on 09.02.2017	
<b>Amount paid as advances, if any:</b>	As mutually agreed from time to time.	
<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Receipt of the Final Dividend declared by Paul Merchants Finance (Pvt.) Ltd.	
<b>Duration of the contracts/ arrangements/ transactions</b>	Not Applicable -	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	Rs. 49,62,748/-	
<b>Date(s) of approval by the Board, if any</b>	N/A	
<b>Amount paid as advances, if any:</b>	N/A	
<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Proportionate Expenses paid to PMFPL by the Company in respect of Security Arrangement in shared Branch offices as	

	per the Rent Agreements	
<b>Duration of the contracts/arrangements/ transactions</b>	01-04-2019 to 30-06-2019	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	Rs. 6,48, 000/-	
<b>Date(s) of approval by the Board, if any</b>	Different Agreements were approved on different dates, details of which are given in respective items in this section	
<b>Amount paid as advances, if any:</b>	N/A	
<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Commission paid in respect of travel related services offered by the PMFPL as per the Distributor Arrangement	
<b>Duration of the contracts/ arrangements/ transactions</b>	Perpetual Distributor Arrangement dated 14.05.2019	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate</b>	On every transaction processed by the PMFPL pursuant to this arrangement, PMFPL will be entitled to retain 70% of the total revenue earned on that transaction. A sum of Rs. 69,055/- has been paid as commission to Paul Merchants Finance (Pvt.) Ltd on this account.
	<b>Annual Increase</b>	NA
	<b>Local Levies</b>	Applicable GST on the income received by the respective parties shall be borne by themselves.
<b>Date(s) of approval by the Board, if any</b>	14.05.2019	
<b>Amount paid as advances, if any:</b>	NA	
<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Commission paid in respect of Forex related services offered by the PMFPL as Restricted Money Changer (RMC) of the	

	Company	
<b>Duration of the contracts/ arrangements/ transactions</b>	Restricted Money Changer (RMC) Arrangement dated 07.02.2019	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate</b>	A sum of Rs. 20,029/- has been paid as commission to Paul Merchants Finance (Pvt.) Ltd on this account.
	<b>Annual Increase</b>	N/A
<b>Date(s) of approval by the Board, if any</b>	07.02.2019	
<b>Amount paid as advances, if any:</b>	NA	
<b>Name(s) of the related party and nature of relationship</b>	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	
<b>Nature of contracts/arrangements/ transactions</b>	Loan given by the Company	
<b>Duration of the contracts/ arrangements/ transactions</b>	Loan disbursed in different tranches	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	Amount of Loan:- Total disbursements from time to time Rs. 66,81,50,001/- and after repayments from time to time, the outstanding principal balance – Rs. 1,01,71,50,001 /- Rate of Interest: 10% p.a. on balance outstanding from time to time Purpose of Loan: To Meet the working capital needs Tenure: Repayable on Demand	
<b>Date(s) of approval by the Board, if any</b>	07.02.2019 & 06.08.2019	
<b>Amount paid as advances, if any:</b>	NA	
<b>Name(s) of the related party and nature of relationship</b>	Paul Merchants Finance (Pvt.) Ltd. (PMFPL) – Wholly Owned Subsidiary Company	
<b>Nature of contracts/arrangements/ transactions</b>	Receipt of Interest on Loan given by the Company	
<b>Duration of the contracts/ arrangements/ transactions</b>	Interest levied on Loan disbursed in different tranches	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	Amount of Interest Received:- Rs. 8,04,34,531/-	
<b>Date(s) of approval by the Board, if any</b>	07.02.2019 & 06.08.2019	
<b>Amount paid as advances, if any:</b>	NA	

<b>Name(s) of the related party and nature of relationship</b>	Paul E-Commerce (P) Ltd.- Group Company	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving Half portion of Basement of C-21, Pamposh Enclave, New Delhi on rent	
<b>Duration of the contracts/ arrangements/transactions</b>	From 01/10/2018 to 30/09/2021	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 27,000/- per month exclusive GST from 01.04.2019 to 30.09.2019 and Rs. 29,160/- exclusive GST per month w.e.f. 01.10.2019
	<b>Annual Increase</b>	8%
	<b>Local Levies</b>	All local levies & Taxes will be paid by the Lessor.
<b>Date(s) of approval by the Board, if any</b>	21.09.2017	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	
<b>Name(s) of the related party and nature of relationship</b>	Paul & Singla Realtors LLP- A Limited Liability Partnership Firm, in which the Wholly Owned Subsidiary of the Company M/s PML Realtors (P) Ltd is a Designated Partner	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving a portion at 2nd Floor, SCO 827-828, Sector 22-A, Chandigarh on rent.	
<b>Duration of the contracts/ arrangements/transactions</b>	From 18/07/2018 to 17/07/2021	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 11,500/- plus GST per month from 01.04.2019 to 17.07.2019 and Rs. 12,420/- plus GST per month w.e.f. 18.07.2019
	<b>Annual Increase</b>	8%
	<b>Local Levies</b>	All local levies & Taxes will be paid by the Lessor.
<b>Date(s) of approval by the Board, if any</b>	28.05.2018	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	



<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Spaces LLP- A Limited Liability Partnership Firm</b> , in which Directors of the Company are partners	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving a portion at 2nd Floor, SCO 827-828, Sector 22-A, Chandigarh on rent. (Discontinued Rent Agreement w.e.f. 16.05.2019)	
<b>Duration of the contracts/ arrangements/transactions</b>	From 11/09/2018 to 10/09/2021	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 11,500/- per month plus GST from 01.04.2019 to 10.09.2019 and Rs. 12,420/- per month plus GST w.e.f. 11.09.2019
	<b>Annual Increase</b>	8%
	<b>Local Levies</b>	All other local levies & Taxes will be paid by the Lessor.
<b>Date(s) of approval by the Board, if any</b>	13.08.2018	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	
<b>Name(s) of the related party and nature of relationship</b>	<b>PML Realtors (Pvt.) Ltd. – A Wholly Owned Subsidiary Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving a portion at 2 <sup>nd</sup> Floor of SCO 827-828, Sector 22-A, Chandigarh on rent.	
<b>Duration of the contracts/ arrangements/transactions</b>	From 18/12/2017 to 17/12/2020	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 12,960/- per month from 01.04.2019 to 07.02.2020 and Rs. 13,997/- per month w.e.f. 08.02.2020
	<b>Annual Increase</b>	8%
	<b>Local Levies</b>	Will be borne by the Lessor.
<b>Date(s) of approval by the Board, if any</b>	14.11.2017	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	
<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Energy Projects (Pvt.) Ltd. – Group Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving a portion at Ground Floor, SCO 829-830, Sector 22-A, Chandigarh on rent.	

<b>Duration of the contracts/arrangements/transactions</b>	From 01/06/2019 to 31/05/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 5750/- per month from 01.06.2019 to 31.03.2020
	<b>Annual Increase</b>	7% at end of every 12 months
	<b>Local Levies</b>	Will be borne by the Lessor. GST as applicable will be paid by the Lessee.
<b>Date(s) of approval by the Board, if any</b>	14.05.2019	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	

<b>Name(s) of the related party and nature of relationship</b>	Paul Excursions (Pvt.) Ltd. – Group Company	
<b>Nature of contracts/arrangements/transactions</b>	Rent Agreement for giving a portion at Second Floor, SCO 829-830, Sector 22-A, Chandigarh on rent.	
<b>Duration of the contracts/arrangements/transactions</b>	From 01/06/2019 to 31/05/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 5750/- per month from 01.06.2019 to 31.03.2020
	<b>Annual Increase</b>	7% at the end of every 12 months
	<b>Local Levies</b>	Will be borne by the Lessor. GST as applicable will be paid by the Lessee.
<b>Date(s) of approval by the Board, if any</b>	14.05.2019	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	

<b>Name(s) of the related party and nature of relationship</b>	Paul Fast Remit (Pvt.) Ltd. – Group Company	
<b>Nature of contracts/arrangements/transactions</b>	Rent Agreement for giving a portion at Second Floor, SCO 829-830, Sector 22-A, Chandigarh on rent.	
<b>Duration of the contracts/arrangements/transactions</b>	From 01/06/2019 to 31/05/2022	

<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 5750/- per month from 01.06.2019 to 31.03.2020
	<b>Annual Increase</b>	7% at the end of every 12 months
	<b>Local Levies</b>	Will be borne by the Lessor. GST as applicable will be borne by Lessee.
<b>Date(s) of approval by the Board, if any</b>	14.05.2019	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	

<b>Name(s) of the related party and nature of relationship</b>	<b>Paul Overseas (Pvt.) Ltd. – Group Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving a portion at Ground Floor, SCO 829-830, Sector 22-A, Chandigarh on rent.	
<b>Duration of the contracts/ arrangements/transactions</b>	From 01/06/2019 to 31/05/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 5750/- per month from 01.06.2019 to 31.03.2020
	<b>Annual Increase</b>	7% at the end of every 12 months
	<b>Local Levies</b>	Will be borne by the Lessor. GST as applicable will be borne by the Lessee.
<b>Date(s) of approval by the Board, if any</b>	14.05.2019	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	

<b>Name(s) of the related party and nature of relationship</b>	<b>Talk More Communications (Pvt.) Ltd. – Group Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving a portion at Second Floor, SCO 829-830, Sector 22-A, Chandigarh on rent.	
<b>Duration of the contracts/ arrangements/transactions</b>	From 01/06/2019 to 31/05/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 5750/- per month from 01.06.2019 to 31.03.2020
	<b>Annual Increase</b>	7% at the end of every 12 months
	<b>Local Levies</b>	Will be borne by the Lessor. GST as applicable will be borne by the Lessee.
<b>Date(s) of approval by the Board, if any</b>	14.05.2019	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	

	<b>Annual Increase</b>	7% at the end of every 12 months
	<b>Local Levies</b>	Will be borne by the Lessor. GST as applicable will be borne by the Lessee.
<b>Date(s) of approval by the Board, if any</b>	14.05.2019	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	

<b>Name(s) of the related party and nature of relationship</b>	PML Holidays (Pvt.) Ltd. – Group Company	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for giving a portion at Second Floor, SCO 829-830, Sector 22-A, Chandigarh on rent.	
<b>Duration of the contracts/ arrangements/transactions</b>	From 01/06/2019 to 31/05/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 5750/- per month from 01.06.2019 to 31.03.2020
	<b>Annual Increase</b>	7% at the end of every 12 months
	<b>Local Levies</b>	Will be borne by the Lessor. GST as applicable will be borne by the Lessee.
<b>Date(s) of approval by the Board, if any</b>	14.05.2019	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	

<b>Name(s) of the related party and nature of relationship</b>	PAUL DISTRIBUTORS – (Sole Prop. Firm of Smt. Sarita Rani Bansal)	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for taking a portion measuring 873.6 Sq. Ft. at the 2nd Floor of SCO No. 12, Sector 20-D, Chandigarh on rent.	
<b>Duration of the contracts/ arrangements/transactions</b>	From 07/08/2019 to 06/08/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 1,00,000/- plus GST per month from 07.08.2019 to 31.03.2020
	<b>Annual Increase</b>	8%
	<b>Local Levies</b>	Electricity & Water Bills will be borne by Lessee

		on proportionate basis and all other taxes will be borne by the Lessor.
<b>Date(s) of approval by the Board, if any</b>	06.08.2019	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	

<b>Name(s) of the related party and nature of relationship</b>	<b>Smt. Sarita Rani Bansal – Director of the Company</b>	
<b>Nature of contracts/arrangements/ transactions</b>	Rent Agreement for taking a Flat No. A1-801, Block A, Floor No. 8, Regency Heights, Sector 90, Mohali, Punjab on rent.	
<b>Duration of the contracts/ arrangements/transactions</b>	From 07/08/2019 to 06/08/2022	
<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Rate of Rent</b>	Rs. 1,18,800/- per month from 07.08.2019 to 31.03.2020
	<b>Annual Increase</b>	8%
	<b>Local Levies</b>	Will be borne by the Lessee.
<b>Date(s) of approval by the Board, if any</b>	06.08.2019	
<b>Amount paid as advances, if any:</b>	Rent is received in advance on monthly basis.	

**For & On Behalf of the Board**

**For & On Behalf of the Board**

**(SAT PAUL BANSAL)**  
**CHAIRMAN CUM MANAGING DIRECTOR**  
 (DIN 00077499)

**(RAJNEESH BANSAL)**  
**EXECUTIVE DIRECTOR**  
 (DIN 00077230)

**PLACE: CHANDIGARH**  
**Date: August 18, 2020**

**ANNEXURE D-10**

**REPORT ON CORPORATE GOVERNANCE**

**1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

Our Corporate Governance Model reflects our ethical values, transparent policies, our belief in trusteeship and accountability and forms the foundation of Company’s business. The Company takes pride in the fact that it has set high standards of exemplary governance and continues to lay emphasis on compliance, accountability and integrity. Company’s philosophy on Corporate Governance aims to ensure establishing and practicing a sound system of good corporate governance which will not only meet Company’s objectives but will render assistance to the management in managing the company’s business in an ethical, compliant, efficient and transparent manner for achieving the corporate objectives so as to provide services to the utmost satisfaction of the customer and to conduct business in a manner which adds value to the Company’s brand and all its stakeholders like shareholders, employees, customers, suppliers, vendors etc. The Company believes that good corporate governance is essential to attain long term goals and mission of the Company. It is Company’s belief that ethics and business go together. The Code of conduct implemented by the Company places high premium on ethics. To ensure governance of high standards, the composition of the Board of Directors of the Company is optimum with each member bringing in expertise in their respective domains. Adequate information and documents are made available to the members of the Board and Board Committees to enable them to discharge their fiduciary duties in an efficient manner. Senior Management Personnel make disclosures to the Board periodically regarding their dealings in the Company’s shares; and all material, financial, commercial and other transaction with the Company; where they have personal interest, stating that the said dealings and transactions, if any, have no potential conflict with the interests of the Company at large. Material operational and financial information is disseminated to the Stock Exchange and stakeholders on timely basis so that no false market in the shares of the Company is created. Further, proper internal controls are in place to ensure that the business and operations of the Company are conducted in a most efficient manner.

**2. BOARD OF DIRECTORS**

**(a) Composition and category of Directors as on 31-03-2020:-**

Promoter Directors	4
Non-Promoter Directors	6
Executive Directors	3 (One Managing Director, Two other Executive Directors)
Non- Executive Directors	7
Independent Non-Executive Directors	5
Nominee Directors	0
Institution Represented	0

The strength of Board was 10 (Ten) Directors as on 31<sup>st</sup> March 2020. The Board consists of 4 Promoter Directors and 6 non-Promoter Directors. Further, the Board consisted of One Managing Director, Two other Executive Directors, Two non-Executive non-independent Directors and Five Non-Executive Independent Directors.

The Non-Executive Independent Directors with their diverse knowledge, vast experience and relevant expertise bring in their independent judgment, knowledgeable and professional view to the deliberations and decision making process of the Board.

Apart from the sitting fees and reimbursement of traveling expenses being paid for attending Board / Committee Meetings, the non-executive independent Directors did not have any material pecuniary relationship or transaction with the Company during the year 2019-2020 or even after the close of Financial year upto the date of this report.

The Company has an executive Chairman as on 31-03-2020 and the Company meets the requirements relating to the composition of Independent and non-Independent Directors of the Board of Directors. The Composition of the Board as on 31.03.2020 is given below:

- |     |                               |   |
|-----|-------------------------------|---|
| 1.  | Mr. Sat Paul Bansal *         | -Promoter, Executive Chairman cum Managing Director |
| 2.  | Mr. Rajneesh Bansal **        | -Promoter, Executive Director                       |
| 3.  | Mr. Sandeep Bansal            | -Promoter, Non-Executive Non Independent Director   |
| 4.  | Mrs. Sarita Rani Bansal       | -Promoter, Non- Executive Non Independent Director  |
| 5.  | Mr. Dharam Pal Sharma         | - Designated Whole Time Director                    |
| 6.  | Mr. Vigyan Prakash Arora      | - Non-Executive Independent Director                |
| 7.  | Mr. Dilbag Singh Sidhu        | - Non-Executive Independent Director                |
| 8.  | Mr. Ajay Arora                | - Non-Executive Independent Director                |
| 9.  | Mr. Arjun Pandurang Ghugal*** | - Non-Executive Independent Director                |
| 10. | Mr. Uma Shankar Paliwal****   | - Non-Executive Independent Director                |

There is no nominee director representing any Institution.

\* He has resigned from his post w.e.f. 31-08-2020.

\*\* He has been appointed as Managing Director w.e.f. 01-09-2020 subject to approval of the shareholders in the ensuing Annual General Meeting (AGM).

\*\*\* His term will expire at the ensuing AGM

\*\*\*\* He resigned from his post w.e.f. 16-08-2020

**(b) The attendance of each Director at Board Meetings and at the Last Annual General Meeting:-**

NAME	Sat Paul Bansal	Rajneesh Bansal	Sandeep Bansal	Sarita Rani Bansal	Vigyan Prakash Arora	Dilbag Singh Sidhu
CATEGORY	Executive (CMD)	Executive	Non Executive Non Independent	Non Executive Non Independent	Independent & Non Executive Director	Independent & Non Executive Director
Board Meetings attended during the year	4	3	3	4	2	3



<b>Attendance at the last AGM held on 30.09.2019</b>	YES	YES	NO	NO	YES	YES
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<b>NAME</b>	<b>Ajay Arora</b>	<b>Arjun Pandurang Ghugal</b>	<b>Dharam Pal Sharma</b>	<b>Uma Shankar Paliwal</b>
<b>CATEGORY</b>	Independent & Non-Executive Director	Independent & Non-Executive Director	Designated Whole Time Director	Independent & Non-Executive Director
<b>Board Meetings attended during the year</b>	4	4	4	4
<b>Attendance at the AGM held on 30.09.2019</b>	NO	NO	YES	NO

**c. Number of Other Board of directors or Committees in which a Director is a Member of Chairperson**

Name of Director	Directorships			Committee positions in listed and unlisted public limited Companies	
	In listed Companies	In unlisted public limited Companies	In private limited Companies (Including Section 8 Companies)	As Chairperson	As Member
Sat Paul Bansal	1	2	6	–	–
Rajneesh Bansal	1	2	7	–	3
Sandeep Bansal	1	–	12	–	1
Sarita Rani Bansal	1	1	3	–	–
Vigyan Prakash Arora	1	2	1	4	–

Dilbag Singh Sidhu	1	-	-	-	1
Ajay Arora	1	3	-	1	2
Arjun Pandurang Ghugal	1	-	-	-	-
Dharam Pal Sharma	1	-	-	-	-
Uma Shankar Paliwal	2	3	2	-	1

**\*Note:**

1. The Directorships held by Directors as mentioned above, include Directorships in the Private Limited Companies and Companies registered under Section 8 of the Companies Act, 2013, but do not include Directorships in Foreign Companies.
2. Directorships in listed companies include directorship in this Entity i.e. Paul Merchants Limited.
3. The above composition and the information is as at 31.03.2020.
4. None of the directors holds office as a director, including as alternate director, in more than twenty Companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are also included.
5. As per declarations received, none of the directors serves as an Independent director in more than seven listed companies. Further, the whole-time directors in the Company do not serve as an independent director in more than three listed companies.
6. None of the directors was a member in more than ten committees, nor a Chairman in more than five committees across all companies in which he was a director. For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 have been excluded. For the purpose of determination of limit, chairpersonship and membership of the Audit committee and the Stakeholders' Relationship Committee alone have been considered.

**Names of the Listed Entities where the person is a director and the category of directorship as on 31-03-2020:-**

Name of Director	Name of the Listed Company	Category of directorship
Sh. Sat Paul Bansal	Paul Merchants Limited	Chairman Cum Managing Director (Promoter)
Sh. Rajneesh Bansal	Paul Merchants Limited	Executive Director (Promoter)

Sh. Sandeep Bansal	Paul Merchants Limited	Non-executive Director (Promoter)
Smt. Sarita Rani Bansal	Paul Merchants Limited	Non-executive Director (Promoter)
Sh. Vigyan Prakash Arora	Paul Merchants Limited	Non-executive Independent Director
Sh. Dilbag Singh Sidhu	Paul Merchants Limited	Non-executive Independent Director
Sh. Ajay Arora	Paul Merchants Limited	Non-executive Independent Director
Sh. Arjun Pandurang Ghugal	Paul Merchants Limited	Non-executive Independent Director
Sh. Dharam Pal Sharma	Paul Merchants Limited	Whole Time Director & Designated Director
Sh. Uma Shankar Paliwal	1. Paul Merchants Limited 2. MONEYBOXX Finance Limited	1. Independent Director 2. Independent Director

(d) **NUMBER OF BOARD MEETINGS HELD AND DATES ON WHICH HELD:**

Total 4 Board meetings were held during the period from April 1<sup>st</sup>, 2019 to March 31, 2020 on the following dates:

14.05.2019, 06.08.2019, 14.11.2019 and 13.02.2020

During the year under review, the gap between two meetings did not exceed 120 days as per Regulation 17 (2) of the SEBI (LODR) Regulations, 2015 and Section 173 of the Companies Act, 2013.

(e) **RELATIONSHIP BETWEEN DIRECTORS INTER SE**

- Mr. Sat Paul Bansal is the Chairman cum Managing Director of the Company till 31-08-2020.
- Mr. Sandeep Bansal and Mr. Rajneesh Bansal, Directors of the Company are real brothers of each other and both are sons of Sh. Sat Paul Bansal and Mrs. Sarita Rani Bansal.
- Mrs. Sarita Rani Bansal is the wife of Sh. Sat Paul Bansal and mother of Mr. Sandeep Bansal and Mr. Rajneesh Bansal.
- No other directors are related to each other in any manner.

(f) **NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS**

(i) Shares held by non-executive non-independent directors of the Company:-

- Mr. Sandeep Bansal                      144507 Equity Shares
- Mrs. Sarita Rani Bansal                345600 Equity Shares

- o No other non-executive non-independent director of the Company holds any shares in the Company
- (ii) Shares held by non-executive independent directors of the Company:-

No non-executive independent director of the Company holds any shares in the Company either by himself or by any other person on beneficial basis.

- (iii) The Company has not issued any convertible instruments till date. Hence information in this regard is NIL

**(g) WEBLINK WHERE DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS IS DISCLOSED**

Your Company follows a structured orientation and familiarization programme through various programs / presentations for Independent Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on nature of the industry in which the Company operates, business model, roles, rights, responsibilities of independent directors, Company's strategy, operations, product offerings, and risk management and such other areas as may arise from time to time. The details of familiarisation programme policy been posted on the website of the Company under the web link <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2017/02/FAMILIARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf> and details of familiarisation programme imparted during the FY 2019-20 have been posted under the web link <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/11/FP-imparted-FY-2019-20-till-date-2-1.pdf>

**(h) CHART SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:-**

<b>Core skills/expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively</b>	<b>Those actually available with the board</b>
<ol style="list-style-type: none"> <li>1. Ability to understand Financial Markets especially Forex Markets</li> <li>2. Ability to understand Regulatory/Statutory framework applicable to the Company</li> <li>3. Quick decision making</li> <li>4. Understanding of Company's business verticals</li> <li>5. Experience in developing policies and processes relating to corporate governance</li> <li>6. Leaderships skills for guiding the management team</li> <li>7. Ability to formulate long term and short term business strategies</li> <li>8. Ability to understand Financial Statements</li> </ol>	<p>As per the Board, all these skills/expertise/ competencies are available with the Board as per chart given below</p>

Names of directors who have such skills / expertise / competence:-

1. Ability to understand Financial Markets especially Forex Markets	Mr. Sat Paul Bansal, Mr. Rajneesh Bansal, Mr. Sandeep Bansal, Mr. Vigyan Prakash Arora, Mr. Ajay Arora, Mr. Uma Shankar Paliwal, Mr. Dilbag Singh Sidhu, Mr. Arjun Pandurang Ghugal
2. Ability to understand Regulatory/Statutory framework applicable to the Company	Mr. Sat Paul Bansal, Mr. Rajneesh Bansal, Mr. Sandeep Bansal, Mr. Vigyan Prakash Arora, Mr. Ajay Arora, Mr. Uma Shankar Paliwal, Mr. Dilbag Singh Sidhu, Mr. Arjun Pandurang Ghugal
3. Quick decision making	All the 10 directors of the Company
4. Understanding of Company's business verticals	All the 10 directors of the Company
5. Experience in developing policies and processes relating to corporate governance	Mr. Sat Paul Bansal, Mr. Rajneesh Bansal, Mr. Ajay Arora, Mr. Uma Shankar Paliwal, Mr. Vigyan Prakash Arora
6. Leaderships skills for guiding the management team	All the 10 directors of the Company
7. Ability to formulate long term and short term business strategies	Mr. Sat Paul Bansal, Mr. Rajneesh Bansal, Mr. Sandeep Bansal, Mr. Vigyan Prakash Arora, Mr. Ajay Arora
8. Ability to understand Financial Statements	Mr. Sat Paul Bansal, Mr. Rajneesh Bansal, Mr. Sandeep Bansal, Mr. Vigyan Prakash Arora, Mr. Ajay Arora, Mr. Uma Shankar Paliwal, Mr. Dilbag Singh Sidhu, Mr. Arjun Pandurang Ghugal

(i) **CONFIRMATION BY THE BOARD REGARDING INDEPENDENT DIRECTORS**

The Board of Directors do hereby confirm that in the opinion of the board, the independent directors fulfill the conditions specified vide SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and are independent of the management.

(j) **DETAILED REASONS FOR THE RESIGNATION OF ANY INDEPENDENT DIRECTOR, WHO RESIGNS BEFORE THE EXPIRY OF HIS TENURE ALONG WITH A CONFIRMATION BY SUCH DIRECTOR THAT THERE ARE NO OTHER MATERIAL REASONS OTHER THAN THOSE PROVIDED**

The Information in this regard is NIL as no Independent Director has resigned during the financial year 2019-20 after SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 coming into force i.e. after 01-04-2019.

### **3. AUDIT COMMITTEE**

#### **(a) TERMS OF REFERENCE:**

##### **Powers of the Audit Committee**

The powers of the Audit Committee shall include the following:

1. To investigate any activity within the terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

##### **Role of Audit Committee**

The role of the audit committee shall include the following:

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision

The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**(b) Composition of Audit Committee, names of members and chairperson**

As on 31.03.2020, the Audit Committee of the Company comprises of 3 non-executive Independent Directors, who are well qualified and financially literate. Following is the composition of the Audit Committee:



Shri Vigyan Prakash Arora	Non Executive Independent Director, Chairman
Shri Dilbag Singh Sidhu	Non Executive Independent Director, Member
Shri Ajay Arora	Non Executive Independent Director, Member

Mr. Vigyan Prakash Arora is the Chairman who has relevant Accounts and related financial management expertise as well as qualification. Mr. Dilbag Singh Sidhu and Mr. Ajay Arora are other two members. All members of audit committee are financially literate.

The Audit Committee meetings are also attended by Managing Director, Chief Financial Officer, Head of Internal Audit and representatives of Statutory Auditors. The Company Secretary acts as a Secretary of the Committee.

**(c) Meetings of Audit Committee and attendance during the year 2019-20**

4 meetings of the Audit Committee have been held during the year 2019-20 on the following dates:

13.05.2019, 05.08.2019, 13.11.2019 and 12.02.2020.

The attendance at the Audit Committee Meetings during the period from 01.04.2019 till 31.03.2020 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Vigyan Prakash Arora	Non Executive Independent Director, Chairman	4	3
Mr. Dilbag Singh Sidhu	Non Executive Independent Director, Member	4	3
Mr. Ajay Arora	Non Executive Independent Director, Member	4	4
Mr. Hardam Singh	Secretary	4	4

**4. NOMINATION AND REMUNERATION COMMITTEE**

**(a) BRIEF DESCRIPTION OF TERMS OF REFERENCE**

- a.** To formulate and recommend to the Board, a Nomination and Remuneration Policy of the Company as per the Companies Act, 2013, applicable RBI Guidelines and Regulation 19(4) of SEBI (LODR) Regulations, 2015 from time to time.
- b.** To recommend addition/modification to the Nomination & Remuneration Policy to the Board from time to time.
- c.** Formulate the criteria for determining qualifications, positive attributes and

independence of a director and recommend to the board of directors a policy relating to, the remuneration for the directors, key managerial personnel and other employees as per the Companies Act, 2013, applicable RBI Guidelines and Regulation 19(4) of SEBI (LODR) Regulations, 2015, as amended from time to time

- d.** To recommend addition/modification to the Nomination & Remuneration Policy to the Board from time to time.
- e.** formulation of criteria for evaluation of performance of independent directors and the board of directors
- f.** devising a policy on diversity of board of directors
- g.** identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance
- h.** whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- i.** Recommend to the Board, appointment and removal of Directors, KMPs and Senior Management Personnel.
- j.** recommend to the board, all remuneration, in whatever form, payable to senior management
- k.** Oversee familiarisation programmes for directors.
- l.** Provide guidelines for remuneration of directors on material subsidiaries.
- m.** Performing such other duties and responsibilities as may be consistent with the provisions of the Companies Act, SEBI (LODR) Regulations, 2015 or any applicable Statute as the Committee may deem appropriate after the approval of the Board or as may be directed by the Board from time to time.

**(b) COMPOSITION NAMES OF MEMBERS AND CHAIRPERSON:-**

Following was the composition of the Nomination and Remuneration Committee as on 31-03-2020:

Sh. Dilbag Singh Sidhu	Non Executive Independent Director, Chairman
Sh. Sandeep Bansal	Non Executive Non Independent Director, Member
Shri. Vigyan Prakash Arora	Non Executive Independent Director, Member

**(c) MEETINGS AND ATTENDANCE DURING THE YEAR**

During the year 2019-20, 5 meetings of the Nomination and Remuneration Committee were held on:

15.04.2019, 18.07.2019, 17.10.2019, 17.01.2020 and 07.02.2020

The attendance at the Nomination and Remuneration Committee Meetings during the period from 01.04.2019 till 31.03.2020 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Dilbag Singh Sidhu	Non-Executive Independent Director, Chairman	5	5
Mr. Sandeep Bansal	Non-Executive Director, Member	5	4
Mr. Vigyan Prakash Arora	Non-Executive Independent Director, Member	5	4
Mr. Hardam Singh	Secretary	5	5

**(d) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

Criteria for evaluation of the Independent Directors;

1. Experience and ability to contribute to the decision making process
2. Problem solving approach and guidance to the Management
3. Attendance and Participation in the Meetings
4. Personal competencies and contribution to strategy formulation
5. Contribution towards statutory compliances, monitoring of controls and Corporate Governance
6. The evaluation of independent directors shall be done by the entire board of directors which shall include –
  - i. Performance of the directors; and
  - ii. fulfillment of the independence criteria as specified in these regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate

**(e) NOMINATION AND REMUNERATION POLICY:**

The Nomination and Remuneration Policy of the Company is already attached as **Annexure D-2** to the Directors' Report.

## 5. **REMUNERATION OF DIRECTORS**

### (a) **All Pecuniary Relationship Or Transactions Of The Non-Executive Directors vis a vis the Company**

#### **Non-Executive Non Independent Directors**

1. **Mr. Sandeep Bansal :-** No Sitting fee was paid to him. There is no pecuniary relationship or transactions of Mr. Sandeep Bansal with the Company during the year under review.
2. **Mrs. Sarita Rani Bansal:-** No Sitting fee was paid to her. Further, Rent was paid to her during the year under review in respect of one property, which is belonging to her and which is used by the Company in its ordinary course of business. Details of the same have been given in **Annexure D-9** to the Directors Report. There is no other pecuniary relationship or transactions of Mrs Sarita Rani Bansal with the Company.

#### **Non-Executive Independent Directors**

A sum of Rs. 4,27,500/- has been paid to Non Executive Independent Directors as their sitting fee during the year 2019-20 (before TDS) as per details given below:

<b>NAME</b>	<b>SITTING FEE (In Rs.)</b>
Sh. Dilbag Singh Sidhu	85000
Sh. Vigyan Prakash Arora	60000
Sh. Ajay Arora	122500
Sh. Arjun Pandurang Ghugal	100000
Sh. Uma Shankar Paliwal	60000
<b>Total</b>	<b>4,27,500/-</b>

The Company has not entered into any pecuniary transactions with non-executive Independent directors of the Company during the year under review.

No other benefits, bonuses, stock options, pension, emoluments, commission, allowances etc. were paid to the Non Executive Independent Directors of the Company during the year. However, actual expenses incurred by them for attending the Board Meetings and Committee meetings, wherever applicable, were re-imbursed to them.

Shares held by non-executive directors as on 31-03-2020 are given below:

<b>NAME</b>	<b>No. of Shares</b>
Sh. Sandeep Bansal	144507
Smt. Sarita Rani Bansal	345600

Sh. Dilbag Singh Sidhu	Nil
Sh. Vigyan Prakash Arora	Nil
Sh. Ajay Arora	Nil
Sh. Arjun Pandurang Ghugal	Nil
Sh. Uma Shankar Paliwal	Nil
Total	490107

(b) **Criteria for making payments to Non-Executive Directors**

The non-executive non independent Directors do not draw any remuneration from the Company. The non-executive non independent Directors are paid sitting fee as permitted under Companies Act, 2013 for attending meetings of the Board/Committees thereof. Their Travel Arrangements for attending the Board/Committee Meetings are made by the Company and actual travelling expenses incurred by them for attending the Board/Committee Meetings, if any, are reimbursed to them. The sitting fee is fixed as per the experience, qualifications of the respective Independent Directors.

(c) **Disclosures with respect to remuneration**

The remuneration of the executive directors is recommended/approved by the Nomination and Remuneration Committee, reviewed and approved by Audit Committee and finally approved by the Board of Directors subject to approval by the Shareholders in General Meeting on the basis of qualification, experience, industry benchmarks, the Company's performance vis-à-vis the industry, performance track record of the executive director/ appointee(s), as per Nomination and Remuneration Policy of the Company. The Company pays remuneration by way of salary or as a %age of Net Profits or by way of both.

Remuneration paid to the past/present executive directors and KMPs of the company during 2019-20 is as under:-

**Mr. Sat Paul Bansal, Chairman cum Managing Director**

**Salary:-** A sum of of Rs. 1.44 crores had been paid to him @ Rs. 12.00 Lakhs per month in the form of salary during the Financial Year 2019-20. Further, a sum of Rs. 2.40 crores has been paid to him towards an installment of Special Incentive during this Financial Year, which had been approved by the Shareholders of the Company.

**Commission:-** A sum of Rs. 24,00,000/- has been paid to him as Commission for the Financial Year 2019-20.

**Benefits:-** No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him during the year.

**Service Contract period:-** His Service Contract period is 5 years

**Remuneration period :-** 3 years i.e. from 01-04-2019 till 31-03-2022

**Notice Period:-** His Contract Notice Period is three months.

**Severance Fees:-** No severance fees is payable to him.

**Fixed Component:** Fix component of his remuneration is his salary.

**Performance Linked Incentive:-**

Commission payable to the Chairman cum Managing Director is performance linked as the same is based upon the profits of the Company and is paid to him as decided by the Nomination and Remuneration Committee.

No Stock Options has been given to him. As on the date of this report, he holds Nil shares in the Company.

The performance of the Chairman cum Managing Director was evaluated by the Nomination and Remuneration Committee, Board and also by the Independent Directors in their separate Meeting. The criteria for evaluation has been disclosed separately in the Directors' Report as well as in the Nomination and Remuneration Policy annexed to this Report as **Annexure D-2**.

There are no convertible instruments issued by the Company, as such holding of Mr. Sat Paul Bansal in this regard is NIL.

There is no other pecuniary relationship or transactions of Mr. Sat Paul Bansal with the Company during the year under review.

**Mr. Rajneesh Bansal, Executive Director**

**Salary:-** Remuneration of Rs. 42.00 Lakhs has been paid to him @ Rs. 3.50 Lakhs per month in the form of salary during the Financial Year 2019-20. In addition, rent free accommodation has also been provided to him by the Company valued at Rs. 29,43,474/- during the year under review.

**Commission:-** A sum of Rs. 24,00,000/- has been paid to him as Commission for the Financial Year 2019-20.

**Benefits:-** No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him during the year.

**Service Contract period:-** His Service Contract period is 5 years

**Remuneration period :-** 3 years i.e. from 01-04-2020 till 31-03-2023

**Notice Period:-** His Contract Notice Period is three months.

**Severance Fees:-** No severance fees is payable to him.

**Fixed Component:** Fix component of his remuneration is his salary.

**Performance Linked Incentive:-**

Commission payable to the Executive Director is performance linked as the same is based upon the profits of the Company and is paid to him as decided by the Nomination and Remuneration Committee.

No Stock Options has been given to him. He holds 149746 (14.57%) equity shares in the Company.

The performance of the Executive Director was evaluated by the Nomination and Remuneration Committee, Board and also by the Independent Directors in their separate Meeting. The criteria for evaluation has been disclosed separately in the Directors' Report as well as in the Nomination and Remuneration Policy annexed to this Report as **Annexure D-2**.

There are no convertible instruments issued by the Company, as such holding of Mr. Rajneesh Bansal in this regard is NIL.

Apart from Salary, rent was paid to Mr. Rajneesh Bansal during the year under review in respect of some properties, which are belonging to him and which are used by the Company in its ordinary course of business. Details of the same have been given in **Annexure D-9** to the Directors Report. There is no other pecuniary relationship or transactions of Mr. Rajneesh Bansal with the Company.

#### **Sh. Dharam Pal Sharma, Whole Time Director**

**Salary:-** Salary amounting to Rs. 7,59,660/- has been paid to him during the Financial Year 2019-20.

**Commission:-** No commission has been paid to Sh. Dharam Pal Sharma, Whole Time Director during the year under review.

**Benefits:-** In addition to the above mentioned salary, Performance Bonus of Rs. 27489/- and Leave Encashment of Rs. 13,500/- has been paid to him during the year under review. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him during the year.

**Service Contract period:-** 5 years i.e. from 01-04-2020 till 31-03-2025

**Remuneration period :-** 3 years i.e. from 01-04-2020 till 31-03-2023

**Notice Period:-** His Contract Notice Period is two months.

**Severance Fees:-** No severance fees is payable to him.

**Fixed Component:** Fix component of his remuneration is his salary.

#### **Performance Linked Incentive:-**

In addition to the above mentioned salary and other benefits, a performance linked Incentive of Rs. 77,000/- has been paid to him during the year under review.

The performance of Sh. Dharam Pal Sharma was evaluated by the Nomination and Remuneration Committee, Board and also by the Independent Directors in their separate Meeting. The criteria for evaluation has been disclosed separately in the Directors' Report as well as in the Nomination and Remuneration Policy annexed to this Report as **Annexure D-2**.

No Stock Options has been given to him. He holds NIL Equity shares in the Company.



There are no convertible instruments issued by the Company, as such holding of Mr. Dharam Pal Sharma in this regard is NIL.

There is no other pecuniary relationship or transactions of Mr. Dharam Pal Sharma with the Company.

### **KEY MANAGERIAL PERSONNEL**

#### **Mrs. Bhupinder Kaur (CFO)**

**Salary:-** Gross Salary amounting to Rs. 14,86,052/- has been paid to him during the Financial Year 2019-20.

**Commission:-** No commission has been paid to her during the year under review.

**Benefits:-** In addition to the above mentioned salary, Leave Encashment of Rs. 27500/- has been paid to her during the year under review. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to her during the year.

**Service Contract period:-** There is no fixed Service Contract period.

**Notice Period:-** Her Notice Period is Two months.

**Severance Fees:-** No severance fees is payable to her.

**Fixed Component:** Fix component of her remuneration is her salary.

#### **Performance Linked Incentive:-**

In addition to the above mentioned salary and other benefits, Performance Bonus of Rs. 49,205/- has been paid to her during the year under review.

The performance of the Chief Financial Officer was evaluated by the Nomination and Remuneration Committee.

No Stock Options has been given to her. She holds NIL equity shares in the Company.

There are no convertible instruments issued by the Company, as such her holding in this regard is NIL.

There was no other pecuniary relationship or transactions of Chief Financial Officer with the Company.

#### **Mr. Hardam Singh (Company Secretary)**

**Salary:-** Gross Salary amounting to Rs. 23,15,280/- has been paid to him during the Financial Year 2019-20.

**Commission:-** No commission has been paid to Mr. Hardam Singh, Company Secretary during the year under review.

**Benefits:-** In addition to the above mentioned salary, Performance Bonus of Rs. 72,000/- and Leave Encashment of Rs. 43,200/- has been paid to him during the year under review. No other benefits, bonuses, stock options, pension, emoluments, allowances etc. were paid to him during the year.

**Service Contract period:-** There is no fixed Service Contract period.

**Notice Period:-** His Notice Period is two months.

**Severance Fees:-** No severance fees is payable to him.

**Fixed Component:** Fix component of his remuneration is his salary.

**Performance Linked Incentive:-**

In addition to the above mentioned salary and Performance Bonus, a performance linked Incentive of Rs. 5,76,000/- has been paid to him during the year under review, which is performance linked.

The performance of the Company Secretary was evaluated by the Nomination and Remuneration Committee.

No Stock Options has been given to him. He holds NIL equity shares in the Company.

There are no convertible instruments issued by the Company, as such holding of Mr. Hardam Singh in this regard is NIL.

There is no other pecuniary relationship or transactions of Mr. Hardam Singh with the Company.

## **6. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee of the Board has been constituted to look into various aspects of interest of shareholders, debenture holders and other security holders and complaints like transfer of shares, non-receipt of Share Certificates, non-receipt of Balance Sheet, non-receipt of Annual Report etc.

**(a) Name of non-executive director heading the Committee:-**

The committee is headed by Sh. Vigyan Prakash Arora, Non Executive Independent Director.

**(b) Name And Designation Of Compliance Officer**

The Company Secretary Mr. Hardam Singh, is the Compliance Officer of the Company. The Compliance Officer can be contacted at:

[investor.redressal@paulmerchants.net](mailto:investor.redressal@paulmerchants.net) and [cs@paulmerchants.net](mailto:cs@paulmerchants.net)

Ph. 0172-5041760  
Fax – 0172-5041713

**(c) Number of shareholders complaints received so far**

No shareholder complaint has been received by the Company either directly or through its RTA or through SEBI SCORES platform during the year under review.

(d) **Number of shareholders complaints not solved to the satisfaction of shareholders**  
- NIL

(e) **Number of shareholders complaints pending complaints** - NIL

(f) **Composition:**

Following is the composition of the Stakeholders' Relationship Committee as on 31-03-2020:-

Sh. Vigyan Prakash Arora	Non Executive Independent Director, Chairman
Sh. Rajneesh Bansal	Executive Director, Member
Sh. Sandeep Bansal	Non Executive Non Independent Director, Member
Mr. Hardam Singh	Company Secretary, Secretary to the Committee

During the year 2019-20 under review, 4 meetings of the Stakeholders' Relationship Committee were held on:

12.04.2019, 17.07.2019, 16.10.2019 and 16.01.2020

The attendance at the Stakeholders' Relationship Committee Meetings during the period from 01.04.2019 till 31.03.2020 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Vigyan Prakash Arora	Independent Director, Chairman	4	3
Mr. Sandeep Bansal	Non- Executive Non Independent Director, Member	4	4
Mr. Rajneesh Bansal	Executive Director, Member	4	4
Mr. Hardam Singh	Secretary	4	4

#### **6-A. EXECUTIVE COMMITTEE**

##### **COMPOSITION:**

An Executive Committee of the Board has been formed to look after day to day affairs of the Company as per Terms of Reference defined by the Board. The Committee comprises of Mr. Sat Paul Bansal, Managing Director as its Chairman, Mr. Sandeep Bansal and Mr Rajneesh Bansal, Directors as other Members. The Company Secretary Mr. Hardam Singh is the Secretary to the Committee.

During the year under review, 11 meetings of the Executive Committee were held on:

30.04.2019, 23.05.2019, 27.06.2019, 06.07.2019, 07.08.2019, 28.08.2019, 03.09.2019, 29.10.2019, 05.11.2019, 10.01.2020 & 18.02.2020

The attendance at the Executive Committee Meetings during the period from 01.04.2019 till 31.03.2020 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Sat Paul Bansal	Chairman cum Managing Director, Chairman	11	11
Mr. Sandeep Bansal	Non-Executive Non Independent Director, Member	11	11
Mr. Rajneesh Bansal	Executive Director, Member	11	11
Mr. Hardam Singh	Secretary	11	11

**6-B. CORPORATE SOCIAL RESPONSIBILITY**

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Committee of the Board to be known as CSR Committee:

**COMPOSITION:**

Following is the composition of the CSR Committee as on 31-03-2020:

Sh. Sandeep Bansal	Non Executive Non Independent Director, Chairman
Sh. Rajneesh Bansal	Executive Director, Member
Sh. Vigyan Prakash Arora	Non Executive Independent Director, Member

During the year 2019-20, 4 meetings of the CSR Committee were held on: 12.04.2019, 15.07.2019, 15.10.2019 and 15.01.2020

The attendance at the CSR Committee Meetings during the period from 01.04.2019 till 31.03.2020 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Sandeep Bansal	Non-Executive Non Independent Director, Chairman	4	4
Mr. Rajneesh Bansal	Executive Director, Member	4	4

Mr. Vigyan Prakash Arora	Non-Executive Independent Director, Member	4	3
Mr. Hardam Singh	Secretary	4	4

The following is the Board approved CSR Policy for the Company:-

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**INTRODUCTION**

For us at Paul Merchants Ltd (PML), reaching out to underserved communities is part of our rich culture. We believe in the trusteeship concept. We believe, we will be a more satisfied corporate when we operate according to the highest ethical standards, address unmet social needs, function with compassion and promote the well being of citizens of this country, their communities and the entire environment. We strongly believe that a responsible corporate should go beyond the Statutory compliances and put something back into the society, which has given so much to the corporate. This entails transcending business interests and doing something for the people who are grappling with the "quality of life" challenges and working towards making a meaningful difference to them.

**OUR VISION**

"To actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index".

PML is vigilant in its enforcement towards corporate principles and is committed towards sustainable development and inclusive growth. The company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objective. It also pursues initiatives related to quality management, environment preservation and social awareness.

**OBJECTIVES**

The objectives of this policy are to –

- Demonstrate commitment to the common good through responsible business practices and good governance
- Actively support the state's development agenda to ensure sustainable change
- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models
- Engender a sense of empathy and equity among employees of PML to motivate them to give back to the society

**APPLICABILITY**

1. CSR policy of PML has been developed in line with corporate philosophy of PML, in consonance with Section 135 of the Companies Act 2013 and in accordance with the CSR rules notified by the Ministry of Corporate Affairs, Government of India in 2014.
2. The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the said Act.

**CSR BUDGET**

CSR Committee will recommend the annual budgeted expenditure to the Board for its consideration and approval.

**IMPLEMENTATION**

All activities will be identified in an objective manner keeping in mind the ultimate beneficiaries and gauging their basic needs. Consultation with the locals like village panchayats and influential people of the area, will also be resorted to, wherever necessary to sense the most critical needs of the area concerned.

Arising from this, the focus areas, out of which the Company will be taking initiatives under this policy from time to time and as decided by the CSR Committee are:-

1. Eradicating hunger, poverty and malnutrition, arranging community lunch, donating food to trusts, religious places or to charitable institutions, promoting preventive health care and sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional and handicrafts;
6. Measures for the benefit of armed forces, army veterans, war widows, police forces, para military forces and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government Rural development projects.

The activities will be undertaken in a way that preference to the local area and area around it where PML operates will be given. The CSR Committee, from time to time will chose activities out of the above list to be undertaken under this policy. The list is only illustrative and not exhaustive. Any other activity, as per the sole discretion of the CSR Committee can be taken up, which is thought to be beneficial for any section of the society.

**BOARD**

The Board of PML will be responsible for:

- a. Approving the CSR policy as formulated by the CSR Committee
- b. Ensuring that in each Financial Year the Company spends at least 2% of the average net profit, computed as per Section 198 of the Companies Act, 2013 during the three immediate preceding financial years.
- c. Ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively
- d. Regularly monitoring the implementation of CSR policy.
- e. Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.
- f. Ensuring annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format.

As per Section 135, the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report. The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the company.

### **CSR COMMITTEE**

- I. **Composition:** The committee will consist of three or more directors out of which, at least one will be an independent director. As on 31-03-2020 following are the Members of the CSR Committee:

Mr. Sandeep Bansal, Non Executive Non Independent Director, Chairman

Mr. Rajneesh Bansal, Executive Director, Member

Mr. Vigyan Prakash Arora, Non Executive Independent Director, Member

The Board can reconstitute the committee in case of any resignation or appointment of any new member.

- II. The CSR committee will be responsible for:
  - a. formulating the CSR policy in compliance to Section 135 of the Companies Act, 2013
  - b. identifying activities to be undertaken as per Schedule VII of the Companies Act 2013 .
  - c. recommending to Board the CSR expenditure to be incurred.
  - d. recommending to Board, modifications to the CSR policy as and when required.
  - e. regularly monitoring the implementation of the CSR policy

### **MONITORING AND REPORTING FRAMEWORK**

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the activities undertaken by the Company under this policy. The Committee will recommend a CSR Budget to the Board for its approval for any Financial Year in the first meeting of the FY. In compliance with the Act and to ensure funds spent on CSR programmes are creating the desired impact on the ground, a comprehensive Monitoring and Reporting framework will be put in place, wherein the expenditure heads, geography covered, periodicity and distribution of expenditure over various heads will be monitored on regular basis.

A Report on the CSR is already attached as **Annexure D-7** to the Directors Report.

## **7. GENERAL BODY MEETINGS**

- (a) **Location and time, where last three Annual General Meetings held:**



<b>YEAR</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Type of Meeting	AGM	AGM	AGM
Date	28.09.2017	27.09.2018	30.09.2019
Venue	Shudh Banquet, 25, Paschim Vihar Extension, Main Rohtak Road, Opp. Metro Pillar No. 195, New Delhi-110063	Forever Banquet, 20, Paschim Vihar Extension, Metro Pillar No. 193, Opp. Ordinance Depot, New Delhi – 110063	Forever Banquet, 20, Paschim Vihar Extension, Metro Pillar No. 193, Opp. Ordinance Depot, New Delhi – 110063
Time	12.00 Noon	12.00 Noon	12.00 Noon

**(b) Whether any Special Resolutions passed in the last three Annual General Meetings :-**  
**YES**

Details of the Special Resolutions passed in the last three Annual General Meetings:-

**Year 2017**

1. To appoint Mr. Uma Shankar Paliwal (DIN 06907963) as Independent Director of the Company, not liable to retire by rotation to hold office for a term upto the conclusion of the Annual General Meeting for the Financial Year 2020-21.
2. To revise the remuneration of Mr. Dharam Pal Sharma (DIN 07284332), Whole Time Director of the Company w.e.f. 01.04.2017.

**Year 2018**

1. To revise the remuneration of Mr. Dharam Pal Sharma (DIN 07284332), Whole Time Director of the Company w.e.f. 01.04.2018.
2. To approve the remuneration of Mr. Sat Paul Bansal (DIN 00077499), Chairman Cum Managing Director of the company for the Financial Year 2018-19.
3. To approve the remuneration of Mr. Rajneesh Bansal (DIN 00077230), Executive Director of the Company for his remaining tenure.

**Year 2019**

1. To approve the re-appointment of Sh. Sat Paul Bansal (DIN 00077499), Chairman Cum Managing Director of the Company for a period of 5 years w.e.f. 01.04.2019 & ending with 31.03.2024 and to fix his remuneration for the period of 3 years i.e. from 01.04.2019 to 31.03.2022.
2. To approve the revision in the remuneration of Sh. Dharam Pal Sharma (DIN 07284332), Whole Time Director of the Company w.e.f. 01.04.2019 for his remaining tenure.

3. To approve the re-appointment of Sh. Dilbag Singh Sidhu (DIN 05210193) as an Independent Director of the Company for a second term upto 31-03-2024.
  4. To approve the re-appointment of Sh. Vigyan Prakash Arora (DIN 00806647) as an Independent Director of the Company for a second term upto 31-03-2024.
  5. To approve the re-appointment of Sh. Ajay Arora (DIN 00314161) as an Independent Director of the Company for a second term upto 31-03- 2024.
- (c) **Whether any Special Resolution passed last year through Postal Ballot** – No Special Resolution passed through Postal Ballot during FY 2019-20.
- (d) **Person who conducted the postal ballot exercise** –  
Not applicable.
- (e) **Whether any Special Resolution is proposed to be conducted through Postal Ballot Process:-**  
  
No Special Resolution is proposed to be conducted through Postal Ballot Process at the ensuing Annual General Meeting. However, remote evoting facility shall be provided to the members in respect of all the resolutions to be passed at the ensuing AGM.
- (f) **Procedure for Postal Ballot:-** Not applicable.

## 8. **MEANS OF COMMUNICATIONS**

(a) **Quarterly Results** :

The Quarterly, Half yearly and Annual Results of the Company are sent to BSE Ltd in accordance with the SEBI (LODR) Regulations, 2015.

(b) **Newspapers wherein the results normally published** : - The said Results are normally published in The Financial Express (English, all India edition) and Jansatta (Hindi, Delhi edition).

(c) **Any website, where displayed:-**

The Quarterly, Half yearly and Annual Results are displayed on Company's website [www.paulmerchants.net](http://www.paulmerchants.net). The Company's website contains a dedicated section "Investors" under which the details/information of interest to various stakeholders is displayed. The Results are also sent to BSE Ltd, which is displayed by BSE on its website <http://www.bseindia.com>.

(d) **Whether it also displays official news releases:**

All financial and other vital official news releases and documents under the SEBI Listing Regulations are also communicated to the BSE Ltd, besides being placed on the Company's website [www.paulmerchants.net](http://www.paulmerchants.net).

(e) **Presentations made to the Institutional Investors or to the Analysts:**

No presentations have been made to institutional investors or to the analysts during the year under review.

**(f) BSE Corporate Compliance and Listing Centre:-**

All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Quarterly Results etc. are filed electronically with the Listing Centre of BSE and wherever prescribed, in XBRL format.

**9. GENERAL SHAREHOLDER INFORMATION**

a.	Annual General Meeting: Date, time and Venue	Date:- Tuesday, the 29 <sup>th</sup> day of September, 2020, Time:- at 12.00 Noon, Venue:- The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM. The deemed venue for the 36 <sup>th</sup> AGM shall be the Registered Office of the Company.																																										
b.	Financial year	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020																																										
c.	Dividend Payment Date	N/A																																										
d.	Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001.  Listing Fee for the year 2020-21 has already been paid to BSE.																																										
e.	Stock Code	539113																																										
f.	Market Price Data: High, Low during each month in last financial year	<table border="1"> <thead> <tr> <th colspan="3">PAUL MERCHANTS LIMITED</th> </tr> <tr> <th>Month</th> <th>High Price</th> <th>Low Price</th> </tr> </thead> <tbody> <tr> <td>Apr-19</td> <td>2196</td> <td>1612.10</td> </tr> <tr> <td>May-19</td> <td>2049</td> <td>1415.10</td> </tr> <tr> <td>Jun-19</td> <td>1839</td> <td>1342</td> </tr> <tr> <td>Jul-19</td> <td>1807</td> <td>915</td> </tr> <tr> <td>Aug-19</td> <td>1570</td> <td>872</td> </tr> <tr> <td>Sep-19</td> <td>1584.45</td> <td>1045</td> </tr> <tr> <td>Oct-19</td> <td>1465</td> <td>1089</td> </tr> <tr> <td>Nov-19</td> <td>1320</td> <td>1004</td> </tr> <tr> <td>Dec-19</td> <td>1300</td> <td>935</td> </tr> <tr> <td>Jan-20</td> <td>1515</td> <td>1100</td> </tr> <tr> <td>Feb-20</td> <td>1240</td> <td>991</td> </tr> <tr> <td>Mar-20</td> <td>1097.95</td> <td>530</td> </tr> </tbody> </table>	PAUL MERCHANTS LIMITED			Month	High Price	Low Price	Apr-19	2196	1612.10	May-19	2049	1415.10	Jun-19	1839	1342	Jul-19	1807	915	Aug-19	1570	872	Sep-19	1584.45	1045	Oct-19	1465	1089	Nov-19	1320	1004	Dec-19	1300	935	Jan-20	1515	1100	Feb-20	1240	991	Mar-20	1097.95	530
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g.	Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.	<table border="1"> <thead> <tr> <th colspan="3">PAUL MERCHANTS LIMITED</th> <th colspan="3">SENSEX</th> </tr> <tr> <th>Month</th> <th>High Price</th> <th>Low Price</th> <th>Month</th> <th>High Price</th> <th>Low Price</th> </tr> </thead> <tbody> <tr> <td>Apr-19</td> <td>2196</td> <td>1612.10</td> <td>Apr-19</td> <td>39487.45</td> <td>38460.25</td> </tr> <tr> <td>May-19</td> <td>2049</td> <td>1415.10</td> <td>May-19</td> <td>40124.96</td> <td>36956.1</td> </tr> <tr> <td>Jun-19</td> <td>1839</td> <td>1342</td> <td>Jun-19</td> <td>40312.07</td> <td>38870.96</td> </tr> <tr> <td>Jul-19</td> <td>1807</td> <td>915</td> <td>Jul-19</td> <td>40032.41</td> <td>37128.26</td> </tr> <tr> <td>Aug-19</td> <td>1570</td> <td>872</td> <td>Aug-19</td> <td>37807.55</td> <td>36102.35</td> </tr> <tr> <td>Sep-19</td> <td>1584.45</td> <td>1045</td> <td>Sep-19</td> <td>39441.12</td> <td>35987.8</td> </tr> <tr> <td>Oct-19</td> <td>1465</td> <td>1089</td> <td>Oct-19</td> <td>40392.22</td> <td>37415.83</td> </tr> <tr> <td>Nov-19</td> <td>1320</td> <td>1004</td> <td>Nov-19</td> <td>41163.79</td> <td>40014.23</td> </tr> <tr> <td>Dec-19</td> <td>1300</td> <td>935</td> <td>Dec-19</td> <td>41809.96</td> <td>40135.37</td> </tr> <tr> <td>Jan-20</td> <td>1515</td> <td>1100</td> <td>Jan-20</td> <td>42273.87</td> <td>40476.55</td> </tr> <tr> <td>Feb-20</td> <td>1240</td> <td>991</td> <td>Feb-20</td> <td>41709.3</td> <td>38219.97</td> </tr> <tr> <td>Mar-20</td> <td>1097.95</td> <td>530</td> <td>Mar-20</td> <td>39083.17</td> <td>25638.9</td> </tr> </tbody> </table>	PAUL MERCHANTS LIMITED			SENSEX			Month	High Price	Low Price	Month	High Price	Low Price	Apr-19	2196	1612.10	Apr-19	39487.45	38460.25	May-19	2049	1415.10	May-19	40124.96	36956.1	Jun-19	1839	1342	Jun-19	40312.07	38870.96	Jul-19	1807	915	Jul-19	40032.41	37128.26	Aug-19	1570	872	Aug-19	37807.55	36102.35	Sep-19	1584.45	1045	Sep-19	39441.12	35987.8	Oct-19	1465	1089	Oct-19	40392.22	37415.83	Nov-19	1320	1004	Nov-19	41163.79	40014.23	Dec-19	1300	935	Dec-19	41809.96	40135.37	Jan-20	1515	1100	Jan-20	42273.87	40476.55	Feb-20	1240	991	Feb-20	41709.3	38219.97	Mar-20	1097.95	530	Mar-20	39083.17	25638.9
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h.	In case the securities are suspended from trading, the directors report shall explain the reasons thereof	N/A. The securities of the Company have never been suspended from trading.																																																																																				
i.	Registrar to an Issue and Share Transfer Agents	Alankit Assignments Limited, 1E/13, Jhandewalan Extn. New Delhi-110055 (INDIA) Ph No.: 011-42541959 (RTA of the Company)																																																																																				
j.	Share Transfer System	<p>In terms of provisions of Regulation 7 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to ensure that all activities in relation to share transfer facility are maintained either in-house or by Registrar to Issue and Share Transfer Agent registered with the SEBI. In the Company, the said activities are maintained by the Registrar and Share Transfer Agent of the Company (RTA) M/s Alankit Assignments Limited, having registered Office at 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi, SEBI Regn. No. INR000002532. Share transfers processed by the RTA M/s Alankit Assignments Limited, New Delhi are taken note of by Share Transfer Committee, i.e. Stakeholders' Relationship Committee. The Registrar ensures to attend to the formalities pertaining to transfer of securities at least once in a fortnight along with transmission and issue of duplicate share certificates etc. Post 01-04-2019, SEBI has prohibited Transfer of shares in physical mode. As such, the shares of the Company are traded in dematerialized form only. Transfer of shares in dematerialized form is done through the depositories without any involvement of the Company. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchange.</p> <p>Till 01-04-2019 the share transfers, which were received in physical form, were processed and the share certificates returned within a period of 15 days from the date of receipt by the RTA, subject to documents being valid and complete in all respects. The SEBI Circular dated 08-06-2018, amending thereby the SEBI LODR Regulations to provide for</p>																																																																																				

		<p>prohibition of Transfer of Shares in Physical form after 01-04-2019 has already been brought to the notice of the Shareholders.</p> <p>All requests for dematerialization of shares are processed and the confirmation is given to the Depositories within 21 days by RTA subject to documents being valid and complete in all respects. Grievances received from Members are immediately attended to and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar within 15 days. Stakeholders' Relationship Committee also looks into the Investors Grievances, if there is any.</p> <p>SCORES (SEBI complaints redressal system): SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a Company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.</p>
k.	Distribution of Shareholding	As per <b><u>Annexure- G-1</u></b>
l.	Dematerialization of shares and liquidity	Liquidity:- A total number of 10,03,500 Equity Shares of the Company constituting over 97.62% of the issued, subscribed and paid-up share capital were held in dematerialised form as on March 31, 2020 and as such, there is sufficient liquidity in the stock.
m.	Outstanding Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs)/ Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments till date
n.	Commodity price risk or foreign exchange risk and hedging activities	<p>The Company is not a sizable user of commodities, hence exposes itself moderately to the price risk on account of procurement of commodities. The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/ 0000000141 dated November 15, 2018.</p> <p>The exposure to foreign exchange risk is limited to stock of Foreign Exchange held in the branch offices of the Company and unsettled transactions at the Central treasury which are adequately covered in advance with Banks or other FFCs. All the Forex Transactions are being covered under the CASH / TOM / SPOT covering.</p>
o.	Plant Locations	The Company is in service Industry and had 74 own offices as on 31-03-2020. The list of the said offices is appended to this Annual Report in the beginning.
p.	Address for correspondence	The Company Secretary, PML House, SCO 829-830, Sector 22-A, Chandigarh – 160022 Ph. 0172-5041792, 5041760, Fax 0172-5041713 email: <a href="mailto:cs@paulmerchants.net">cs@paulmerchants.net</a>

q.	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	N/A. No such Credit Rating has been received by the Company
r.	Date of Book closure	15-09-2020 to 21-09-2020 (both days inclusive)
s.	ISIN	INE 291 E 01019

**ANNEXURE – G-1**

(a) **Distribution of Shareholding (No. of Shares) as on March 31, 2020 is as under :-**

No. of Shares	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Holding
1 – 500	1234	90.1388	13765	1.339
101 – 500	67	4.8941	17183	1.672
501 – 1000	24	1.7531	19094	1.857
1001 – 5000	35	2.5566	103410	10.059
5001 – 10000	2	0.1461	11240	1.093
10001 – 20000	0	0	0	0.000
20001 – 30000	1	0.073	29000	2.821
30001 - 40000	0	0	0	0
40001 – 50000	2	0.1461	92100	8.959
50001 – 100000	0	0	0	0.000
100001 - 500000	4	0.2922	742208	72.199
500001 to Above	0	0	0	0

**Note: Shareholding of the shareholders having common PAN and Folio no. have been consolidated.**

**Shareholding Pattern as on 31<sup>st</sup> March, 2020:-**

Category	No. of Shares held
Promoters	747448
Institutional Investors	0
Mutual Funds & UTI	0
Banks, Financial Institutions and Insurance Companies	7
FII's	0

Others	0
Private Corporate Bodies	520
Indian Public	278919
NRIs/QCBs	1106
Trust	0
<b>Total</b>	<b>1028000</b>

**10. OTHER DISCLOSURES**

**(a) Disclosures On Materially Significant Related Party Transactions That May Have Potential Conflict With The Interests Of Listed Entity At Large;**

No material significant related party transactions have taken place during the year under review that may have potential conflict with the interests of the Company at large.

Further, the disclosures required under Part A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations are given below:-

(1) In respect of Wholly Owned Subsidiary Company Paul Merchants Finance (P) Ltd.:-

Sr. No.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company (Paul Merchants Limited)	<ul style="list-style-type: none"> <li>• Loans and advances in the nature of loans to subsidiaries by name and amount.</li> <li>• Loans and advances in the nature of loans to associates by name and amount.</li> <li>• Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount</li> </ul>

Wholly Owned Subsidiary Company Paul Merchants Finance (P) Ltd

Outstanding as on 31 March 2020 Rs 1,01,71,50,001/-

Max Outstanding during the year Rs. 1,23,74,50,000 /-

NIL as the Company has no Associate Company

NIL



2	Subsidiary	<ul style="list-style-type: none"> <li>• Loans and advances in the nature of loans to Holding Companies by name and amount.</li> <li>• Loans and advances in the nature of loans to associates by name and amount.</li> <li>• Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount</li> </ul>	<p>NIL</p> <p>NIL as the Company has no Associate Company</p> <p>Erisha infratech LLP Outstanding as on 31 March 2020 Rs 1,03,78,082/-</p> <p>Max Outstanding during the year Rs. 2,08,28,493/-</p>
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	NIL

(2) In respect of Wholly Owned Subsidiary Company PML Realtors (P) Ltd.:-

Sr. No.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.	
1	Holding Company (Paul Merchants Limited)	<ul style="list-style-type: none"> <li>• Loans and advances in the nature of loans to subsidiaries by name and amount.</li> <li>• Loans and advances in the nature of loans to associates by name and amount.</li> <li>• Loans and advances in the nature of loans to firms/companies in which directors are interested by</li> </ul>	<p>NIL</p> <p>NIL as the Company has no Associate Company</p> <p>NIL</p>

		name and amount	
2	Subsidiary	<ul style="list-style-type: none"> <li>• Loans and advances in the nature of loans to Holding Companies by name and amount.</li> <li>• Loans and advances in the nature of loans to associates by name and amount.</li> <li>• Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount</li> </ul>	<p>NIL</p> <p>NIL as the Company has no Associate Company</p> <p>Paul Merchants Finance (P) Ltd Outstanding as on 31 March 2020 Rs. NIL</p> <p>Max Outstanding during the year Rs. 5,93,54,994 /-</p>
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	NIL

Further reference in this regard can be made to Note no. 38 of the Balance sheet and **Annexure D-9** to the Directors Report, which is a part of this Annual Report.

Further, for disclosure of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity i.e. Paul Merchants Limited as required in terms of Clause 2A of Part A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, in the format prescribed in the relevant accounting standards for annual results, Please refer Note no. 38 of the Balance sheet and **Annexure D-9** to the Directors Report, which is a part of this Annual Report.

Further, details of related party transactions form part of Notes to the Accounts, in the Financial Statements attached in this Annual Report. While entering into the above transactions, the Company had made full disclosures before the Board Meetings as well as Audit Committee Meetings, prior approval of Audit Committee as well as Board of Directors was obtained and interested directors duly disclosed their interest in the said Board Meetings and did not participate in the discussions on such resolutions. All related party transactions were approved in advance by the Audit Committee. The details of the Related Party Transactions, entered into by the Company in the ordinary course of business at Arm's length basis are given as **Annexure D-9** to the Directors Report. The company has framed its Policy on dealing with Related Party Transactions and the same is available on its website under the weblink <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2020/02/Related-Party-Transaction-Policy-13-02-2020.pdf>.

(b) **Details Of Non-Compliance By The Listed Entity, Penalties, Strictures Imposed On The Listed Entity By Stock Exchange(S) Or The Board Or Any Statutory Authority, On Any Matter Related To Capital Markets, During The Last Three Years**

There is no non-compliance by the Company and there are no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years.

(c) **Details of establishment of a vigil mechanism cum Whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee**

The Vigil Mechanism cum Whistle Blower Policy is in place which is reviewed by the Audit Committee on regular basis and the text of the same is given at the end of this Corporate Governance Report.

The Company do hereby affirm that no personnel has been denied access to the Audit Committee as no complaint has been received by the Committee during the year under review. The Vigil Mechanism cum Whistle Blower Policy is also available on the Website of the Company <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Vigil-Mechanism-policy-07-02-2019.pdf>

(d) **Details of Compliance With Mandatory Requirements Of SEBI (LODR) Regulations, 2015**

The Company has complied with all the mandatory requirements of the Listing Regulations.

**Adoption of Non-Mandatory Requirements as per part E of Schedule II Of SEBI (LODR) Regulations, 2015**

**1. The Board**

The Chairman of the Company is an Executive Director. His office is maintained at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

**2. Shareholder Rights**

Since the Company publishes its Quarterly, Half yearly and Annual Results in Newspapers (English and Hindi) having wide circulation, the results are also displayed on the website of the Company and the BSE Ltd., and the Annual Report of the Company is sent to each shareholder through permitted mode, the Company does not send any declaration of half yearly performance to each household of shareholders.

**3. Modified Opinion(s) in the Audit Report**

There are no Audit qualifications/Modified Opinion on the Financial Statements of the Company for the year 2019-20 and as such the current Financial Statements are with unmodified audit opinion. As there are no Audit qualifications/Modified Opinion on the

Financial Statements of the Company, statement on Impact of Audit Qualifications as stipulated in Regulation 33(3)(d) of SEBI (LODR) Regulations is not required to be given

#### **4. Reporting of Internal Auditor**

At the moment, the reporting of the internal Audit is not directly to the Audit Committee however, the significant findings of the internal audit are placed before the Audit Committee on regular basis and other SEBI Regulations regarding Internal Audit are duly followed by the Company. Performance of the Internal Audit department is also reviewed by the Audit Committee.

(e) **Web Link Where Policy For Determining 'Material' Subsidiaries Is Disclosed.**

<http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/04/Material-Subsidiary-Policy-07-02-2019-1.pdf>

(f) **Web link where policy on dealing with related party transactions is disclosed:-**

<http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2020/02/Related-Party-Transaction-Policy-13-02-2020.pdf>

(g) **Disclosure of commodity price risks and commodity hedging activities**

The Company is not a sizable user of commodities, hence exposes itself moderately to the price risk on account of procurement of commodities. As such, no commodity hedging activities are undertaken by the Company. The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

Further, the exposure to foreign exchange risk is limited to stock of Foreign Exchange held in the branch offices of the Company and unsettled transactions at the Central treasury which are adequately covered in advance with Banks or other FFMCs. All the Forex Transactions are being covered under the CASH / TOM / SPOT covering.

(h) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

Information in this regard is nil as no funds were raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the year under review.

(i) **A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority**

The said Certificate is enclosed herewith as **Annexure D-15**.

- (j) **Disclosure of cases where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the Financial year 2019-20, along with reasons thereof –**

Information in this regard is nil as there was no instance when board had not accepted any recommendation of any committee of the board which is mandatorily required during the financial year under review.

- (k) **Total Fees For All Services Paid By The Listed Entity And Its Subsidiaries, On A Consolidated Basis, To The Statutory Auditor And All Entities In The Network Firm/Network Entity Of Which The Statutory Auditor Is A Part -**

The required information for the Financial Year 2019-20 is given as under:-

Fees paid to the Auditors

Name of the Company	Fees paid for Audit (Including Tax Audit) (Rs.)	Fees paid for other services (Rs.)
Paul Merchants Limited	2,00,000	Nil
Paul Merchants Finance (P) Limited	67,700	22,500 (Fees paid for filing GST returns)
PML Realtors (P) Limited	15000	Nil

Fees paid to the all entities in the network firm/network entity of which the statutory auditor is a part :-

Name of the Company	Fees paid for Audit	Fees paid for other services
Paul Merchants Limited	NIL	NIL
Paul Merchants Finance (P) Limited	Nil	Nil
PML Realtors (P) Limited	Nil	Nil

- (l) **Disclosures In Relation To The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013:-**

- Number of complaints filed during the financial year - **NIL**
- Number of complaints disposed off during the financial year - **NIL**
- Number of complaints pending as on end of the financial year - **NIL**

- 11. Non-compliance of any requirement of Corporate Governance report of sub paras (2) to (10) of Part C of Schedule V, with reasons thereof**

There is no non-compliance of any of the said requirements.

- 12. Adoption of Discretionary requirements as specified in Part E of Schedule II.**

As given above under para (d) of 'Other Disclosures'

**13. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations**

The Board do hereby confirm that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations and all these details have been given in the section on Corporate Governance as above. The Company has made all the disclosures on its website [www.paulmerchants.net](http://www.paulmerchants.net) as required under regulation 46 (2) of SEBI (LODR) Regulations.

**D. CEO DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

The Managing Director of the Company has issued a Declaration that the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management. As there is no Chief Executive Officer in the Company, this Declaration has been issued by the Managing Director of the Company. The Declaration is appended to this Report at the end of this Report. This Declaration has been given as **Annexure D-12** to this Report.

Further, in terms of the requirements of Regulation 17 (8) read with Part B of Schedule II to the SEBI (LODR) Regulations, 2015, the Managing Director and the Chief Financial Officer have submitted necessary certificate to the Board of Directors stating & certifying the particulars specified under the said Regulation. As there is no Chief Executive Officer in the Company, this Certificate has been issued by the Managing Director of the Company along with Chief Financial Officer of the Company. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors. This Certificate has been given as **Annexure D-13** to this Report.

**E. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

A Certificate obtained from Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh has been obtained and the same has been annexed to this Annual Report as **Annexure D-11**.

Further, a Certificate issued by the Statutory Auditors of the Company certifying compliance by the Company with Guidelines issued by Reserve Bank of India from time to time on KYC/AML/CFT has been annexed to this Annual Report as **Annexure D-14**.

**F. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

There is no demat suspense account/ unclaimed suspense account of the Company because such a requirement never got necessitated in relation to the shares of the Company. As such, the information in this regard is Nil.

**Miscellaneous Disclosure**

(i) **Reconciliation Of Share Capital Audit**

A reconciliation of Share Capital Audit was carried out by a qualified practicing Company secretary on quarterly basis for the purposes of reconciliation of the total issued capital, listed capital and capital held by depositories in dematerialized form, the details of changes in share capital during the quarter and the in-principle approval obtained by the issuer from all the stock exchanges where it is listed in respect of such further issued capital and for other purposes as specified in the Regulation 76(1) and 76(2) of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(ii) **Code For Prevention Of Insider Trading**

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Further a Code of Fair Disclosure and Prevention of Insider Trading Code under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 have been adopted and displayed on the website of the Company <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2019/05/PML-Code-of-Fair-Disclosure-07.02.2019.pdf>. These Codes lay down guidelines vide which it advises the designated Persons and connected people on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and caution them of the consequences of violations.

(iii) **Material Subsidiaries**

The Company has one material subsidiary in the name of Paul Merchants Finance (Pvt) Ltd as defined under Regulation 16 (1) (c) of SEBI (LODR) Regulations, 2015. The requirement relating to composition of Board of Directors of Unlisted Material subsidiary has been complied with.

(iv) **Disclosure Regarding Appointment Or Re-appointment Of Directors:**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Sh. Dharam Pal Sharma (DIN 07284332) and Sh Rajneesh Bansal (DIN 00077230), Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Further, Mr. Rajneesh Bansal is proposed to be re-appointed as Managing Director of the Company in the ensuing Annual General Meeting.

Their brief Resumes of the said directors are already given as part of the Notice of Annual General Meeting.

(v) **Code of Conduct**

(i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copy of Code of Conduct as applicable to the Directors (including Senior Management of the Company) is uploaded on the website of the Company <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2015/12/PML-Code-of-Conduct-1.pdf>



(ii) The Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2020. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

(vi) **Board Disclosures - Risk Management**

The Company manages risks as an integral part of its decision making process. The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically.

(vii) **Information placed before the Board**

The Agenda is circulated well in advance to the Board Members along with Agenda Notes. The items in the Agenda are backed by comprehensive background information to facilitate meaningful discussions and to enable the Board to take efficient decisions. The Board of Paul Merchants Limited is presented with all relevant information on various vital matters affecting the working of the company in addition to the matters set out in Companies Act, 2013, SEBI (LODR) Regulations, 2015 and Secretarial Standards. Also, extensive information is provided on various critical matters such as Risk Assessment, Growth, Expansion, Related party transactions, sales, financial performance, foreign exchange exposure, Appointment of Key Management Personnel and one level below, material legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters.

(viii) **Proceeds from public issues, rights issues, preferential issues, etc.**

During the year under review, no money has been raised by the Company by way of Public Issues, Rights Issues, Preferential Issues Etc.

(ix) **Management Discussion & Analysis Report:**

Management Discussion & Analysis Report forms part of the Annual Report and include discussions on various matters specified under Part B of Schedule V to the SEBI (LODR) Regulations, 2015. The report has already been given as **Annexure D-3** to the Directors' Report.

(x) **Annual Secretarial Compliance Report**

SEBI vide its circular dated 8<sup>th</sup> February, 2019 mandated all the listed entities to obtain Annual Secretarial Compliance Report from the Company Secretary in practice on compliance with all applicable SEBI Regulations and circulars / guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report (Form MR – 3). The Company has received the aforesaid report from Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (F 5901), SCO 64-65, Sector 17 A, Chandigarh for the Financial Year 2019-20. A copy of the said Annual Secretarial Compliance Report is enclosed in this Annual Report as **Annexure-D-16**. The report is unqualified. The observations in the aforesaid report are self-



explanatory and therefore, the Board of Directors do not have any further comments to offer on the same.

**For & On Behalf of the Board**

**For & On Behalf of the Board**

**(SAT PAUL BANSAL)  
CHAIRMAN CUM MANAGING DIRECTOR  
(DIN 00077499)**

**(RAJNEESH BANSAL)  
EXECUTIVE DIRECTOR  
(DIN 00077230)**

**PLACE: CHANDIGARH  
Date: August 18, 2020**

## **VIGIL MECHANISM CUM WHISLTE BLOWER POLICY**

### **PREAMBLE**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, Legality, integrity and ethical behavior. Any actual or potential violation of the same, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations cannot be undermined. Accordingly, this Vigil Mechanism has been formulated with a view to provide a mechanism for employees of the Company and others concerned to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

Regulation 4 (2)(d)(iv) read with Regulation 22 (1) of the Securities & Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, inter alia, provides for requirement to establish a mechanism called 'Whistle Blower Policy' for stakeholders, employees and their representative bodies to report to the management, instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

Section 177 of the Companies Act, 2013 also provides that the Company shall establish a Vigil Mechanism for Directors and Employees to report genuine concerns. This Vigil Mechanism is meant to serve the purpose of Section 177 of the Companies Act, 2013 as well as 'Whistle Blower Policy' under the SEBI (LODR) Regulations.

The Company had adopted the Vigil Mechanism cum Whistle Blower Policy on 27-05-2014 as approved by the Audit Committee. The Audit Committee has amended the Vigil Mechanism cum Whistle Blower Policy on 09.08.2016. Further the Board of Directors amended this Vigil Mechanism cum Whistle Blower Policy in their meeting held on 07-02-2019.

### **1. OBJECTIVE**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for Stakeholders, Directors, employees and their representative bodies, to raise concerns of any violations of legal or regulatory requirements, unethical behavior, fraud, violation of Company's code of conduct, incorrect or misrepresentation of any financial statements and reports, etc.

### **2. POLICY**

The Vigil Mechanism intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

No adverse action shall be taken or recommended against any Stakeholder, Director, employee or their representative body in retaliation to his disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This protects such employees or Director from unfair termination and unfair prejudicial employment practices.

However, this policy does not protect an employee or Director from an adverse action which occurs independent of his disclosure of unethical and improper practice or alleged wrongful conduct, poor

job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

### 3. DEFINITIONS

- a. **“Disciplinary Action”** means any action that can be taken on the completion of /during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties, termination, legal action or any such action as is deemed to be fit considering the gravity of the matter.
- b. **“Employee”** means every employee of the Company (whether working in India or abroad)
- c. **“Directors”** include independent, Nominee & Alternate directors
- d. **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- e. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under this Policy.
- f. **“Whistleblower”** is someone who makes a Protected Disclosure under this Policy.
- g. **“Whistle Committee”** means a Committee of persons who is/are nominated/ appointed to conduct detailed investigation of the disclosures received from the whistleblower and recommends disciplinary action.
- h. **“Audit Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations.
- i. **“Company”** means Paul Merchants Ltd.
- j. **“Ombudsman”** means, the Officer or Officers designated as such by the Audit Committee for the purpose of this Policy.
- k. **“GOOD FAITH”** An employee or a Director shall be deemed to be communicating in ‘good faith’ if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge of a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- l. **Policy or This Policy means**, “Vigil Mechanism cum Whistle Blower Policy”
- m. **“Improper Activity:** means to include:
  - i. Abuse of authority

- ii. Breach of contract
- iii. Negligence causing substantial and specific danger to the Organization or public health and safety
- iv. Manipulation of company data/records
- v. Financial irregularities, including fraud or suspected fraud or deficiency in Internal Control and internal checks or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
- vi. Any unlawful act whether Criminal/ Civil
- vii. Pilferation of confidential/proprietary information
- viii. Deliberate violation of law/regulation
- ix. Wastage/misappropriation of company funds/assets
- x. Breach of Company Policy or failure to implement or comply with any approved Company Policy, code of conduct
- xi. Unethical behavior
- xii. Leak of any Unpublished Price Sensitive Information ("UPSI"). "UPSI" for this purpose is as defined under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations

#### **4. SCOPE**

Various Stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

- a. Employees of the Company and their representative bodies
- b. Directors of the Company
- c. Employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location
- d. Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company
- e. Customers of the Company
- f. Any other person having an association with the Company

A person belonging to any of the above mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy.

NOTE: Policy should not be used to be a route for raising malicious or unfounded allegations against colleagues.

#### **5. GUIDING PRINCIPLES**

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- i. Ensure that the Whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so
- ii. Treat victimization as a serious matter, including initiating disciplinary action on such person/(s)
- iii. Ensure complete confidentiality
- iv. Not attempt to conceal evidence of the Protected Disclosure

- v. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made
- vi. Provide an opportunity of being heard to the persons involved especially to the Subject

**6. ANONYMOUS ALLEGATION**

Whistleblowers must put their names to the allegations made by them because follow-up action & investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will ordinarily NOT be investigated.

**7. PROTECTION TO WHISTLEBLOWER**

A. If any stakeholder raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:

- i. The communication/ disclosure is made in good faith
- ii. He/she reasonably believes that information and any allegations contained in it, are substantially true; and
- iii. He/she is not acting for personal gain
- iv. Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals.

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

- B. The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed on any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.
- Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

**8. ACCOUNTABILITIES – WHISTLEBLOWERS**

- I. Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- II. Avoid anonymity when raising a concern.
- III. Follow the procedures prescribed in this policy for making a Disclosure
- IV. Co-operate with investigating authorities, maintaining full confidentiality
- V. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action
- VI. A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation
- VII. Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed
- VIII. In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Whistle Committee, he/she can make a direct appeal to the CMD of the Company or the Audit Committee

**9. ACCOUNTABILITIES – OMBUDSMAN AND WHISTLE COMMITTEE**

- i. Conduct the enquiry in a fair, unbiased manner
- ii. Ensure complete fact-finding
- iii. Maintain strict confidentiality
- iv. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- v. Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- vi. Minute Committee deliberations and document the final report

**10. RIGHTS OF A SUBJECT**

- i. Subjects have right to be heard and the Ombudsman or the Committee must give adequate time and opportunity for the subject to communicate his/her stand on the matter
- ii. Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/investigation process

**11. MANAGEMENT ACTION ON FALSE DISCLOSURES**

An employee/person who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further this policy may not be used as a defense by an employee against

whom an adverse personnel action has been taken independent of any disclosure or intimation by him and for legitimate reasons or cause under Company rules and policies.

**12. PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES**

The procedure as per Annexure will be followed.

**13. ACCESS TO REPORTS AND DOCUMENTS**

All reports and records associated with 'Disclosures' are considered confidential information and access will be restricted to the Whistleblower, the Whistle Committee and Ombudsman. 'Disclosures' and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

**14. RETENTION OF DOCUMENTS**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 03 years from the date of conclusion of the investigation.

**15. REPORTS**

A periodical status report on the total number of complaints received during the period, with summary of the findings of the Whistle Committee and the corrective actions taken will be sent to the Audit Committee as well as Board of Directors of the Company. The contents of this Policy will be displayed by the Company on its Website and will also be included in the Directors Report.

**16. COMPANY'S POWERS**

The Company is entitled to amend, suspend or rescind this policy at any time. Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed to or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy and the applicable Law. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance. The Audit Committee shall review the policy and its implementation on regular basis.



**ANNEXURE**

**PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES**

**1. How should a Disclosure be made and to whom?**

A disclosure should be made in writing. Letters can be submitted by hand delivery, courier or by post addressed to the Ombudsman appointed by the Company. Emails can be sent to the email id: [ombudsman@paulmerchants.net](mailto:ombudsman@paulmerchants.net).

However, Disclosures against any employee of HOD cadre or the Business Heads or the Executive Directors should be sent directly to the Chairman of Audit Committee of the Company on his email id: [vigyan@vigyanarora.com](mailto:vigyan@vigyanarora.com).

**2. Is there any specific format for submitting the Disclosure?**

While there is no specific format for submitting a Disclosure, the following details MUST be mentioned:

- a) Name, address and contact details of the Whistleblower (add Employee ID if the Whistleblower is an employee).
- b) Brief description of the Malpractice, giving the names of those alleged to have committed or about to commit a Malpractice. Specific details such as time and place of occurrence are also important. Documentary evidence, wherever possible, should be appended.

In case of letters, the disclosure should be sealed in an envelope marked "Whistle Blower" and addressed to the Ombudsman or the Chairman, Audit Committee, depending on position of the person against whom disclosure is made.

**3. What will happen after the Disclosure is submitted?**

- a. The Ombudsman shall acknowledge receipt of the Disclosure as soon as practical (preferably within 04 days of receipt of a Disclosure), to the address provided by the Whistleblower.
- b. The Ombudsman will proceed to determine whether the allegations (assuming them to be true only for the purpose of this determination) made in the Disclosure constitute a Malpractice by discussing with the Executive Directors and CMD of the Company (if required). If the Ombudsman unanimously determines that the allegations do not constitute a Malpractice, he/she will record this finding with reasons and communicate the same to the Whistleblower
- c. If the Ombudsman determines or any one member is of the opinion that the allegations constitute a Malpractice, he/she will proceed to investigate the Disclosure with the assistance of the Whistle Committee comprising of Senior Level Officers of HR, Internal Audit, Finance and Legal. The Whistle Committee, if it deems fit can also take assistance of Head of the Department where the breach has occurred. If the alleged Malpractice is required by law to be dealt with under any other mechanism, the Ombudsman shall refer the Disclosure to the appropriate authority under such mandated mechanism and seek a report on the findings from such authority.

- d. If the Protected Disclosure has been made to the Chairman of the Audit Committee, he will proceed to investigate the matter with the help of CMD, Ombudsman or Whistle Committee or any other officer as he deems fit.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. The investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access to systems and other information by the Ombudsman or Whistle Committee for the purpose of such investigation shall do so. Individuals with whom the Ombudsman or Whistle Committee requests an interview for the purposes of such investigation shall make themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.
- g. If the Malpractice constitutes a criminal offence, the Ombudsman will bring it to the notice of the Executive Directors & CMD and take appropriate action including reporting the matter to the police. In other cases, the Ombudsman will take appropriate action against the culprit in consultation with the Whistle Committee.
- h. The CMD of the Company may, at his/her discretion, participate in the investigations of any Disclosure.
- i. The Whistle Committee shall conduct such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the Ombudsman as soon as practically possible and in any case, not later than 90 days from the date of receipt of the Disclosure. The Ombudsman may allow additional time for submission of the report based on the circumstances of the case.  
Whilst it may be difficult for the Ombudsman to keep the Whistleblower regularly updated on the progress of the investigations, he/she will keep the Whistleblower informed of the result of the investigations and its recommendations subject to any obligations of confidentiality.
- j. The Ombudsman will ensure action on the recommendations of the Whistle Committee and keep the Whistleblower informed of the same. Though no timeframe is being specified for such action, the Company will endeavor to act as quickly as possible in cases of proved Malpractice.
- k. In case, the Whistle Blower is not satisfied with the investigation carried by the Whistle Committee, he can appeal to the Chairman of Audit Committee with all relevant details.

4. **What should a Whistleblower do if he/she faces any retaliatory action or threats of retaliatory action as a result of making a Disclosure?**

If anyone faces any retaliatory action or threats of retaliatory action as a result of making a Disclosure, he/she should inform the Ombudsman in writing immediately. Ombudsman will treat reports of such actions or threats as a separate Disclosure and investigate the same accordingly and may also recommend appropriate steps to protect the Whistle Blower from exposure to such retaliatory action and ensure implementation of such steps for your protection.

In case, the Whistle Blower is not satisfied with the resolution given by Ombudsman, he can appeal to the Chairman of Audit Committee with all relevant details.

Sd/-  
Chairman

**Paul Merchants Limited**

**For & On Behalf of the Board**

**(SAT PAUL BANSAL)  
CHAIRMAN CUM MANAGING DIRECTOR  
(DIN 00077499)**

**For & On Behalf of the Board**

**(RAJNEESH BANSAL)  
EXECUTIVE DIRECTOR  
(DIN 00077230)**

**PLACE: CHANDIGARH  
Date: August 18, 2020**

**Annexure D-11****CERTIFICATE ON CORPORATE GOVERNANCE**

**To  
The Members of  
Paul Merchants Limited**

We have examined the compliance of the conditions of Corporate Governance by Paul Merchants Limited ("the Company") for the Financial Year ended 31<sup>st</sup> March, 2020, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as mentioned in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 31.07.2020  
Place: Chandigarh

UDIN: F005901B000540534

Kanwaljit Singh Thanewal  
Company Secretary  
M. No. 5901  
C.P.No. 5870

**Annexure D-12**

**DECLARATION OF THE MANAGING DIRECTOR**

This is to certify that the Company has laid down code of conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company <http://www.paulmerchants.net/paulmerchants/wp-content/uploads/2017/02/PML-Code-of-Conduct.pdf>. Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the code applicable to them during the year ended March 31, 2020.

**Place: CHANDIGARH  
Date: 18-08-2020**

**SAT PAUL BANSAL  
Managing Director  
DIN-00077499**

**Annexure D-13****CEO AND CFO CERTIFICATE**

To

The Board of Directors,  
Paul Merchants Limited,  
SCO 829-830, Sector 22-A,  
Chandigarh

Date: June 25<sup>th</sup>, 2020

We hereby certify in terms of Regulation 17 (8) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015:-

A. We have reviewed Standalone as well consolidated financial statements and the Cash Flow Statement of Paul Merchants Limited for the year ended 31.03.2020 and that to the best of our knowledge and belief:

(1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) These statements together present a true and fair view of Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

(1) Significant changes in internal control, if any, over financial reporting during the year;

(2) Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and

(3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Bhupinder Kaur**  
(Chief Financial Officer)  
PAN- ABCPK2505K

**Sat Paul Bansal**  
(Chairman & Managing Director)  
DIN-00077499

**Annexure D-14**

**JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**S.C.O. 178, Sector 5, Panchkula  
Phone: 9876110632  
Email : [npjain@gmail.com](mailto:nnpjain@gmail.com)**

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M/s Paul Merchants Limited  
SCO 829-830, Sector 22-A,  
Chandigarh

**FOR SUBMISSION TO RESERVE BANK OF INDIA**

It is hereby certified that on the basis of examination of the records of M/s Paul Merchants Limited, having its Corporate Office at SCO 829-830, Sector 22-A, Chandigarh and concurrent audit reports and according to information and explanation given to us for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March, 2020, the Company has complied with Guidelines issued by Reserve Bank of India from time to time on KYC/AML/CFT.

It is also certified that the Internal Control and Concurrent Audit of the Company is satisfactory.

The above certificate is issued at the request of Company after performance of due-diligence and examination of records produced before us for verification.

**FOR JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**Place: Chandigarh  
Date: 11-08-2020**

**(CA. NEERAJ JAIN)  
Partner  
M. No. 089477  
UDIN: 20089477AAAACZ2031**

**Annexure D-15**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
**The Members of Paul Merchants Limited**  
**Regd. Office: DSM 335,336,337, 3<sup>rd</sup> Floor,**  
**DLF Tower, 15, Shivaji Marg,**  
**Najafgarh Road,**  
**New Delhi-110015**

**Corp. Office: SCO 829-830, Sector 22-A,**  
**Chandigarh**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Paul Merchants Limited having CIN: L74900DL1984PLC018679 and having registered office at DSM 335,336,337, 3rd Floor, DLF Tower, 15, Shivaji Marg, Najafgarh Road, New Delhi-110015 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>Sr. No</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment In Compar</b>
1.	Shri. Sat Paul Bansal	00077499	27-09-1990
2.	Shri. Rajneesh Bansal	00077230	27-02-1999
3.	Sh. Dharam Pal Sharma	07284332	09-11-2015
4.	Shri. Sandeep Bansal*	00094391	18-09-1993
5.	Smt. Sarita Rani Bansal	00094504	01-04-2015
6.	Shri. Dilbag Singh Sidhu	05210193	26-02-2012
7.	Shri. Vigyan Prakash Arora	00806647	01-04-2010
8.	Shri Ajay Arora	00314161	27-05-2014
9.	Shri Arjun Pandurang Ghugal	02414741	25-10-2014
10.	Shri Uma Shankar Paliwal	06907963	29-05-2017



*\*It may be noted that Director Identification Number (DIN) 00094391 of Sh. Sandeep Bansal had been deactivated by the Ministry of Corporate Affairs w.e.f. 01.11.2017 due to the default committed by M/s Chandigarh Network Systems Private Limited, in filing the financial statements and annual returns with Registrar of Companies, which is not a group Company of Paul Merchants Limited. Pursuant to the Writ Petition filed by Sh. Sandeep Bansal before the Hon'ble High Court of Punjab and Haryana, his disqualification as director has been stayed by the High Court vide its interim order dated 19-03-2019 and his DIN has also been activated.*

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express my opinion on these matters based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chandigarh  
Date : 08.07.2020

UDIN: F005901B000428345

Name: Kanwaljit Singh Thanewal  
Membership No.: F5901  
CP No. 5870

**Annexure-D-16**

**Secretarial compliance report of Paul Merchants Limited  
for the year ended March 31, 2020**

To,

Paul Merchants Limited,  
DSM 335,336,337, 3<sup>rd</sup> Floor,  
DLF Tower, 15, Shivaji Marg,  
Najafgarh Road, New Delhi.

I, Kanwaljit Singh Thanewal, Company Secretary, have examined:

- (a) all the documents and records made available to us and explanation provided by Paul Merchants Limited (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2020 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: Not applicable to the company during the Review Period.
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not applicable as there was no instance of Buy-Back of its securities during the Review Period.
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: Not Applicable as no Share Based Employee Benefits were provided during the review period;

- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable as the company has not issued any debt securities during the Review Period.
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013: Not applicable as the company has not issued any such securities during the Review Period.
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018

and circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions
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		<b>year ended... (The years are to mentioned)</b>		<b>taken by the listed entity</b>
Not Applicable				

Date: 14.05.2020  
Place: Chandigarh  
UDIN: F005901B000238111

Kanwaljit Singh Thanewal  
M No. 5901  
C P No. 5870

**INDEPENDENT AUDITOR'S REPORT**

**TO THE BOARD OF DIRECTORS OF PAUL MERCHANTS LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **PAUL MERCHANTS LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our opinion is not modified in respect of this matter.

## **Management's Responsibility for the Standalone Financial Results**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks,

and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
- c. The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account .
- d. In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No.- 01361N**

**(NEERAJ JAIN)  
PARTNER  
M. No. 089477  
UDIN: UDIN: 20089477AAAACI7681**

**Date: 25 June 2020  
Place: Chandigarh**



## **"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;  
  
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no discrepancies between the books records and the physical fixed assets have been noticed.  
  
(c) According to information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of company as at balance sheet date. . In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the company.
- ii. (a) The management has conducted the physical verification of inventory at reasonable intervals.  
  
(b) No discrepancies noticed on physical verification of the inventory as compared to books records.
- iii. According to information and explanation given to us, the company has granted unsecured loan to its wholly owned Subsidiary Paul Merchants Finance Private Limited, covered in register maintained under section 189 of the Companies Act, 2013. The outstanding amount of Loan and interest thereon as on 31st March 2020 was 10171.50 Lacs.
  - a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.
  - b) The aforesaid loans are repayable on demand. Accordingly, provision of Clause 3(iii) (b) and (c) of the Order are not applicable to the company

- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security, as applicable.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.  
  
b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute except for as stated in "Note 34 – Contingent Liabilities not provided for".
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the

requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. In our Opinion and according to information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with him during the year. Hence provisions of section 192 of the companies Act, 2013 are not applicable.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No.- 01361N**

**(NEERAJ JAIN)  
PARTNER  
M. No. 089477  
UDIN: 20089477AAAACI7681**

**Date: 25 June 2020  
Place: Chandigarh**

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone  
Financial Statements of Paul Merchants Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of  
the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Paul Merchants Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No.- 01361N**

**(NEERAJ JAIN)  
PARTNER  
M. No. 089477  
UDIN: UDIN: 20089477AAAACI7681**

**Date: 25 June 2020  
Place: Chandigarh**

**PAUL MERCHANTS LTD**  
**BALANCE SHEET AS ON 31ST MARCH 2020**

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	As on 31.03.2020	As on 31.03.2019
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
a) Property, Plant and Equipment	1	62,09,61,331	74,65,39,302
b) Financial Assets			
i) Investments	2	1,68,80,99,389	1,68,80,99,389
c) Deferred Tax Assets (Net)	3	2,27,89,781	3,52,57,001
d) Other Non-Current Assets	4	70,88,408	70,88,409
<b>(2) Current Assets</b>			
a) Inventories	5	6,95,14,105	4,66,90,380
b) Financial Assets			
i) Current Investments	6	54,64,38,313	90,58,49,814
ii) Trade Receivables	7	4,42,53,643	3,70,93,383
iii) Cash and Cash Equivalents	8	3,37,29,095	6,40,92,841
iv) Bank Balance other than iii above	9	1,00,36,922	1,01,88,465
v) Loans	10	1,01,71,50,001	35,11,71,836
vi) Others	11	1,81,99,185	2,10,86,160
c) Current Tax Assets	12	6,29,81,811	5,24,29,863
d) Other Current Assets	13	11,70,083	16,84,873
<b>TOTAL ASSETS</b>		<b>4,14,24,12,067</b>	<b>3,96,72,71,717</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Shri Laxmi Ji		1	1
a) Equity Share Capital	14	1,02,80,000	1,02,80,000
b) Other Equity	15	3,90,41,64,380	3,78,90,89,087
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings		-	-
b) Provisions	16	1,62,60,584	1,47,83,901
<b>(2) Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	17	75,88,522	13,01,535
ii) Trade Payables	18		
(A) total outstanding dues of micro enterprises and small enterprises;		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		6,99,95,324	3,63,32,589
b) Other Current Liabilities	19	9,55,62,379	7,91,10,924
c) Provisions	20	3,85,60,877	3,63,73,680
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,14,24,12,067</b>	<b>3,96,72,71,717</b>
The accompanying accounting policies and notes form an integral part of the standalone financial statements.			
<b>PLACE: CHANDIGARH</b>			
<b>Dated : 25.06.2020</b>			
<b>For &amp; on Behalf of Board of Directors</b>		<b>AUDITOR'S REPORT:</b>	
		<b>As per our Separate Report of the Even Date</b>	
<b>SAT PAUL BANSAL</b> Chairman cum Managing Director DIN-00077499 H. No. 749, Sec 8, Chandigarh	<b>RAJNEESH BANSAL</b> Executive Director DIN-00077230 H. No. 749, Sec 8, Chandigarh	<b>For Jain &amp; Associates</b> <b>CHARTERED ACCOUNTANTS</b> (FRN – 01361N)	
<b>HARDAM SINGH</b> Company Secretary FCS-5046 H. No. 12D, Angel Appt. Zirakpur	<b>BHUPINDER KAUR</b> Chief Financial Officer FCA-508485 H. No. 5, ASTHA ENCLAVE-2 Sec. 127, MOHALI	<b>CA. NEERAJ JAIN</b> Partner (M. No. 089477)	

**PAUL MERCHANTS LTD**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2020**

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	CURRENT YEAR 31.03.2020	PREVIOUS YEAR 31.03.2019
<b>I. REVENUE</b>			
Revenue from Operations	21	53,57,68,31,542	48,98,96,07,212
Other Income	22	13,48,71,051	12,44,63,891
<b>III Total Income (I+II)</b>		<b>53,71,17,02,593</b>	<b>49,11,40,71,103</b>
<b>IV. EXPENSES</b>			
Purchase of Foreign Exchange and Services	23	52,71,54,09,174	48,27,52,69,237
Changes in Inventories of Stock in Trade	24	-2,28,23,724	22,02,087
Direct Expenses	25	52,40,86,746	32,29,79,385
Office & Administrative Expenses	26	8,31,81,684	9,75,89,957
Employee Benefit Expenses	27	18,73,72,933	21,39,69,814
Finance Costs	28	49,35,530	46,22,170
Sales Promotion Expenses	29	69,70,269	1,47,99,310
Corporate Social Responsibility Expenses	30	48,94,450	58,73,777
Other Expenses	31	9,79,543	12,98,370
Depreciation	1	2,81,79,618	3,25,90,650
<b>TOTAL EXPENSES IV</b>		<b>53,53,31,86,224</b>	<b>48,97,11,94,758</b>
<b>V. PROFIT BEFORE EXCEPTIONAL ITEMS &amp; TAX (III - IV)</b>		<b>17,85,16,369</b>	<b>14,28,76,345</b>
<b>VI. EXCEPTIONAL ITEMS</b>	32	1,29,17,116	-
<b>VII. PROFIT BEFORE TAX (V - VI)</b>		<b>16,55,99,253</b>	<b>14,28,76,345</b>
<b>VIII. TAX EXPENSE</b>			
(1) Current Tax		3,32,32,785	2,75,20,652
(2) Prior Period Tax		9,46,502	-52,58,039
(2) Deferred Tax	39	1,24,67,220	-2,98,99,544
<b>IX. PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII - VIII)</b>		<b>11,89,52,746</b>	<b>15,05,13,276</b>
<b>X Profit/Loss from Discontinued Operations</b>		-	-
<b>XI Tax Expense of Discontinued Operations</b>		-	-
<b>PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X - XI)</b>		-	-
<b>XII</b>		-	-
<b>XIII PROFIT/(LOSS) FOR THE PERIOD (IX+XII)</b>		<b>11,89,52,746</b>	<b>15,05,13,276</b>
<b>XIV OTHER COMPREHENSIVE INCOME</b>			
<b>A</b> (i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined benefit obligations		-24,34,056	11,24,962
(ii) Income tax relating to items that will not be reclassified to profit or loss		6,12,603	-3,93,107
<b>B</b> (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XV TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV)</b>		<b>11,71,31,293</b>	<b>15,12,45,132</b>
<b>XVI EARNING PER EQUITY SHARE (FOR CONTINUING OPERATION)</b>	35		
1) BASIC		115.71	146.41
2) DILUTED		115.71	146.41
<b>XVII EARNING PER EQUITY SHARE (FOR DISCONTINUED OPERATION)</b>	35		
1) BASIC		-	-
2) DILUTED		-	-
<b>XVIII EARNING PER EQUITY SHARE (FOR CONTINUING &amp; DISCONTINUED OPERATION)</b>	35		
1) BASIC		115.71	146.41
2) DILUTED		115.71	146.41

The accompanying accounting policies and notes form an integral part of the standalone financial statements.

PLACE: CHANDIGARH  
Dated : 25.06.2020

For & on Behalf of Board of Directors

**SAT PAUL BANSAL**  
Chairman cum Managing Director  
DIN-00077499  
H. No. 749,  
Sec 8, Chandigarh

**RAJNEESH BANSAL**  
Executive Director  
DIN-00077230  
H. No. 749,  
Sec 8, Chandigarh

**HARDAM SINGH**  
Company Secretary  
FCS-5046  
H. No. 12D, Angel Appt.  
Zirakpur

**BHUPINDER KAUR**  
Chief Financial Officer  
FCA-508485  
H. No. 5, ASTHA ENCLAVE-2  
Sec. 127, MOHALI

**AUDITOR'S REPORT:**  
As per our Separate Report of the Even Date

For Jain & Associates  
**CHARTERED ACCOUNTANTS**  
(FRN – 01361N)

**CA. NEERAJ JAIN**  
Partner  
(M. No. 089477)



**PAUL MERCHANTS LTD**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020**  
CIN-L74900DL1984PLC018679

**A Equity Share Capital**

**Changes in equity share capital**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Amount (Rs)	Amount (Rs)
Balance at the beginning of the reporting period	1,02,80,000	1,02,80,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	1,02,80,000	1,02,80,000

**B Other Equity**

**Changes in other equity for the year ended 31st March, 2020**

Particulars	Reserves and Surplus		Total
	Security premium Account	Retained earnings	
Balance as on 01.04.2019	50,40,000	3,78,40,49,087	3,78,90,89,087
Net Profit / Loss for the year		11,89,52,746	11,89,52,746
Dividend Paid		(20,56,000)	(20,56,000)
<b>Other Comprehensive income for the year</b>			
Remeasurements of net defined benefit plans		(18,21,453)	(18,21,453)
Balance as on 31.03.2020	50,40,000	3,89,91,24,380	3,90,41,64,380

**Changes in other equity for the year ended 31st March, 2019**

Particulars	Reserves and Surplus		Total
	Security premium Account	Retained earnings	
Balance as on 01.04.2018	50,40,000	3,63,28,03,955	3,63,78,43,955
Net Profit / Loss for the year		15,05,13,276	15,05,13,276
<b>Other Comprehensive income for the year</b>			
Remeasurements of net defined benefit plans		7,31,855	7,31,855
Balance as on 31.03.2019	50,40,000	3,78,40,49,087	3,78,90,89,087

**PLACE: CHANDIGARH**

**DATED: 25.06.2020**

**For & on Behalf of Board of Directors**

**AUDITOR'S REPORT:**

**As per our Separate Report of the Even Date**

**SAT PAUL BANSAL**  
Chairman cum Managing Director  
DIN-00077499  
H. No. 749,  
Sec 8, Chandigarh

**RAJNEESH BANSAL**  
Executive Director  
DIN-00077230  
H. No. 749,  
Sec 8, Chandigarh

**For Jain & Associates**  
**CHARTERED ACCOUNTANTS**  
**(FRN – 01361N)**

**HARDAM SINGH**  
Company Secretary  
FCS-5046  
H. No. 12D, Angel Appt.  
Zirakpur

**BHUPINDER KAUR**  
Chief Financial Officer  
FCA-508485  
H. No. 5, ASTHA ENCLAVE-2  
Sec. 127, MOHALI

**CA. NEERAJ JAIN**  
(M. No. 089477)

**PAUL MERCHANTS LTD**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31ST MARCH 2020**

CIN-L74900DL1984PLC018679

Amount (in Rs.)

PARTICULARS	CURRENT YEAR 31.03.2020	PREVIOUS YEAR 31.03.2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	16,31,65,197	14,40,01,307
Adjustment for:		
Depreciation	2,81,79,618	3,25,90,650
Profit/Loss on Sale of Fixed Assets/Investments	1,13,95,390	(40,28,577)
Gain on Sale of Investments	(1,13,06,175)	(4,78,52,078)
Finance Cost	49,35,530	46,22,170
Short Term Provisions	21,87,197	(63,15,64,729)
Long Term Provisions	14,76,683	2,27,434
Rental Income	(86,70,218)	(88,78,592)
Interest Income	(10,61,17,468)	(4,53,89,057)
Dividend Received	(80,93,682)	(80,76,552)
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>7,71,52,073</b>	<b>(56,43,48,024)</b>
Adjustment for :		
Net changes in operating Assets & Liabilities		
Inventory	(2,28,23,724)	22,02,087
Current Investments	37,07,17,676	36,37,91,282
Trade receivable	(71,60,260)	12,08,18,230
Other Bank Balance	1,51,544	83,73,86,939
Short Term Loans & Advances	(66,30,91,190)	(34,91,93,522)
Current Tax Assets	(1,05,51,948)	59,95,25,585
Other Current Assets	5,14,790	1,23,129
Trade Payables	3,36,62,736	(3,06,88,955)
Other Current Liabilities	1,64,51,454	(1,66,31,422)
<b>CASH FROM/(USED IN) OPERATIONS</b>	<b>(20,49,76,851)</b>	<b>96,29,85,328</b>
Income Taxes Paid	(3,35,66,684)	(2,26,55,720)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>(23,85,43,535)</b>	<b>94,03,29,609</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	10,24,65,197	6,41,70,552
Purchase of Fixed Assets	(1,64,62,234)	(8,76,60,974)
Non Current Investments	-	(1,00,92,13,160)
Other Non Current Assets	0.00	2,04,65,545
Rental Income	86,70,218	88,78,592
Interest Income	10,61,17,468	4,53,89,057
Dividend Income	80,93,682	80,76,552
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>20,88,84,332</b>	<b>(94,98,93,836)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(20,56,000)	-
Borrowings (Net of Repayments)		
Long Term Borrowings	-	(13,44,277)
Short Term Borrowings	62,86,987	(17,11,04,697)
Finance Cost	(49,35,530)	(46,22,170)
<b>NET CASH FROM/ (USED) IN FINANCING ACTIVITIES</b>	<b>(7,04,543)</b>	<b>(17,70,71,144)</b>
Net Change in Cash & Cash Equivalents (A+B+C)	(3,03,63,746)	(18,66,35,372)
Cash and Cash equivalent at the beginning of the year	6,40,92,841	25,07,28,213
<b>Cash and Cash equivalents at the end of the year</b>	<b>3,37,29,095</b>	<b>6,40,92,841</b>

Place : Chandigarh.

Dated : 25.06.2020

For & on behalf of Board of Directors

(HARDAM SINGH)

Company Secretary  
FCS-5046

H. No. 12D, Angel Appt.  
Zirakpur

(BHUPINDER KAUR)

Chief Financial Officer  
FCA-508485

H. No. 5, ASTHA ENCLAVE-2  
Sec. 127, MOHALI

(RAJNEESH BANSAL)

Executive Director  
DIN-00077230

H. No. 749,  
Sec 8, Chandigarh

(SAT PAUL BANSAL)

Managing Director  
DIN-00077230

H. No. 749  
Sec 8, Chandigarh

**AUDITOR'S CERTIFICATE**

We have examined the Cash flow Statement of Paul Merchants Limited for the year ended 31st March 2020. The Statement has been prepared by the Company in accordance with the requirements of Regulation 34(2c) of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 and is based on and in agreement with the corresponding Statement of Profit and Loss account and Balance Sheet of the Company covered by our report to the members of the Company

For Jain & Associates  
**CHARTERED ACCOUNTANTS**  
(FRN – 01361N)

Place: Chandigarh  
Dated : 25.06.2020

CA. NEERAJ JAIN  
Partner  
(M. No. 089477)

## **SIGNIFICANT ACCOUNTING POLICIES**

### **A. Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and relevant amendment rules issued thereafter. The financial statements comply in all material aspects with said Indian Accounting Standards.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **B. Basis of measurement**

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets which have been measured at fair value and defined benefit plans which have been measured at actuarial valuations.

### **C. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

### **D. Property, Plant and Equipment (PPE)**

The items of Property Plant & equipment are measured at Cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation (if any), less accumulated depreciation and impairment loss, if any. All costs, including financing costs, attributable to the fixed assets are capitalized.

The Company had opted to measure all its property, plant and equipment and intangible assets at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition to Ind AS.

### **E. Depreciation**

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) in the manner prescribed in Schedule II to the Companies Act, 2013 over their remaining useful life on pro-rata basis.

### **F. Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **G. Foreign Currency Transactions**

- 1 Purchases and sales of foreign currencies and traveller's cheques are accounted at the contracted rates. Other transactions in foreign currencies are initially recognised at the rate at which the transaction is entered into. On settlement of such transactions the profit/loss arising from exchange differences is recognised in the Statement of profit and loss. Receipts of foreign exchange in money transfer are accounted on the prevalent bank conversion rate or forward contract rate as the case may be and the profit / loss arising from exchange differences is recognised in the Statement of profit and loss
- 2 Similarly all other Foreign Currency transactions have also been recorded at exchange rate prevailing on the date of the transaction.
- 3 Foreign Currency Fixed Deposits, Balances in Foreign Currency Bank Accounts and other Foreign Currency receivables or payables are valued at year end rates and gains/losses due to exchange rate differences have been adjusted in Profit & Loss Account

#### **H. Investments**

Company has opted to measure its investments in subsidiaries, joint ventures and associates at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. The Company accounts for all its investments at Fair value through profit or loss except for Investments in Subsidiary, Joint Venture and Associates which are stated at cost.

#### **I. Inventories**

Stock of Foreign Currency/TC and Stock of Shares held for trading purposes has been valued at cost.

#### **J. Cash and cash equivalents**

Cash and cash equivalents Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value in accordance with IND AS 7. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

#### **K. Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of Foreign Exchange and Services. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

#### **L. Employee Benefits**

The entity makes contributions to statutory provident funds in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948. Provident Fund and ESI are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the fund.

Gratuity Liability as on 31st March 2020 has been provided for on basis of actuarial valuation basis Projected unit credit method in accordance with IND AS-19.

Leave encashment which are short term compensated absences are charged to profit and loss account of the year in which it is due.

#### **M. Borrowing Costs**

As per IND AS 23 Borrowing costs that are attributable to the acquisition or construction of qualifying assets (if any) are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

**N. Forex Hedging Transactions**

In respect of Forex hedging transactions, gains / losses on settlement and losses on restatement are recognized in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

**O. Provision for Current and Deferred Tax**

Current income tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

**P. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Q. Classification of Current / Non Current Assets**

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to The Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has assumed its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities

**R. Leases**

The Company has complied with IND AS 116 "Leases" applicable from 1 April 2019, and considered all material lease contracts existing on April 1, 2019. The Company has accounted for its short term leases and low value assets in accordance with para 6 of the IND AS.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**

**Note 1: PROPERTY, PLANT AND EQUIPMENT**

PARTICULARS	Gross Block (Amount in Rupees)				Accumulated Depreciation (Amount in Rupees)				Net Block (Amount in Rupees)	
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31st Mar 2020	Balance as at 1 April 2019	Depreciation charge for the year	On disposals	Balance as at 31st Mar 2020	Balance as at 31st March 2019	Balance as at 31st Mar 2020
Land	44,10,41,457	-	6,56,54,940	37,53,86,517	-			-	44,10,41,457	37,53,86,517
Buildings	30,82,36,181	1,10,83,275	5,70,43,475	26,22,75,981	5,82,12,172	1,06,29,329	1,07,81,299	5,80,60,202	25,00,24,009	20,42,15,779
Computers & Desktop	3,03,59,955	24,23,833	5,48,456	3,22,35,332	2,81,08,158	13,50,320	5,18,103	2,89,40,374	22,51,798	32,94,958
Servers & Networks	78,49,063	2,58,990	-	81,08,053	66,29,975	4,95,459		71,25,434	12,19,088	9,82,619
Furniture and Fittings	3,86,30,062	6,15,907	15,27,381	3,77,18,588	2,68,61,314	29,30,832	14,25,831	2,83,66,315	1,17,68,748	93,52,274
Motor Cars	6,87,39,329	-	98,22,844	5,89,16,485	3,75,64,676	95,34,038	81,30,040	3,89,68,674	3,11,74,653	1,99,47,811
Motor Cycles	1,47,417	-	12,000	1,35,417	81,698	16,679	11,400	86,977	65,720	48,441
Office Equipments	1,32,37,654	13,65,915	3,79,864	1,42,23,705	1,07,03,475	13,29,736	3,52,098	1,16,81,113	25,34,179	25,42,592
Electrical Installations & Equipments	1,65,83,935	7,14,314	7,16,880	1,65,81,369	1,28,87,832	10,23,958	6,26,482	1,32,85,309	36,96,103	32,96,060
Plant & Machinery (Solar Power Plant)	24,20,000			24,20,000	8,96,792	2,76,456		11,73,248	15,23,208	12,46,752
Leasehold Improvements	37,29,942	-	-	37,29,942	24,89,601	5,92,812		30,82,413	12,40,341	6,47,530
<b>Total Current Year</b>	<b>93,09,74,995</b>	<b>1,64,62,234</b>	<b>13,57,05,840</b>	<b>81,17,31,389</b>	<b>18,44,35,693</b>	<b>2,81,79,618</b>	<b>2,18,45,253</b>	<b>19,07,70,058</b>	<b>74,65,39,302</b>	<b>62,09,61,331</b>
<b>Total Previous Year</b>	<b>91,33,56,285</b>	<b>8,76,60,974</b>	<b>7,00,42,264</b>	<b>93,09,74,995</b>	<b>16,17,45,331</b>	<b>3,25,90,650</b>	<b>99,00,288</b>	<b>18,44,35,693</b>	<b>75,16,10,953</b>	<b>74,65,39,302</b>

\* Land & Building includes Building at SCO 827-828, Sector-22A, Chandigarh pledged with ICICI Bank Ltd for Over Draft limit taken by Wholly owned subsidiary - Paul Merchants Finance Private Limited.

**Note 2: FINANCIAL ASSETS - NON CURRENT INVESTMENTS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>Investments (unquoted, fully paid up, at cost)</b>		
<b>Investments in Subsidiary</b>		
Paul Merchants Finance Private Limited 3,10,17,175 Equity Shares having Face Value of Rs 10 each (Previous Year 3,10,17,175 Equity Shares having Face value of Rs 10 each)	1,40,76,27,264	1,40,76,27,264
PML Realtors Private Limited 2,50,00,000 Equity Shares having Face value of Rs 10 each (Previous Year 2,50,00,000 Equity Shares having Face value of Rs 10 each)	25,00,00,000	25,00,00,000
<b>Investments in Joint Venture</b>		
19.42% JV Investment (Previous Year 19.42%) in Horizon Remit SDN BHD, Malaysia	3,04,72,125	3,04,72,125
<b>Total</b>	<b>1,68,80,99,389</b>	<b>1,68,80,99,389</b>

**Note 3: DEFFERED TAX ASSETS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Opening Balances	3,52,57,001	53,57,457
Add/Less: Deferred Tax Assets created/(written back) during the year	(1,24,67,220)	2,98,99,544
<b>Total</b>	<b>2,27,89,781</b>	<b>3,52,57,001</b>

**Note 4: OTHER NON CURRENT ASSETS**

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Advance against Property	70,88,408.00	70,88,409
<b>Total</b>	<b>70,88,408</b>	<b>70,88,409</b>

**Note 5: INVENTORIES**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Stock of Foreign Currency at Cost	6,94,48,945	4,66,25,220
Stock Of Shares at Cost	65,160	65,160
<b>Total</b>	<b>6,95,14,105</b>	<b>4,66,90,380</b>

**Note 6: FINANCIAL ASSETS -CURRENT INVESTMENTS**

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
<b>Investments measured at Fair Value Through Profit &amp; Loss</b>		
<b>Investment in Mutual Funds Quoted at FVTPL</b>		
Aditya Birla Sun Life Corporate Bond Fund	29,519	1,25,695
Aditya Birla Sunlife Pure Value Fund	8,15,491	12,04,602
ASK Equity PMS	-	25,06,459
Axis Focused 25 Fund Direct Plan Growth	8,12,264	3,81,502
Axis Liquid Fund	1,08,433	2,20,88,300
HDFC Liquid Fund Direct Plan Growth	2,18,207	6,32,972
HDFC Capital Builder Fund- Growth	9,05,502	13,98,295
HDFC MID-CAP Opportunities Fund - Growth	1,32,229	1,90,968
HDFC Small Cap Fund Direct Plan Growth	5,88,248	4,15,235
HDFC Equity Savings Fund Direct Plan Growth Folio	4,20,528	
L&T India Value Fund-Regular Plan -Growth	4,39,893	4,75,171
L&T Liquid Fund Direct Plan Growth	-	6,93,224
L&T Liquid Fund	4,39,898	5,59,912
L&T India Value Fund Direct Plan Growth	2,42,156	3,50,022
IDFC Fixed Term Plan Series 149 Direct Plan*	3,45,24,600	3,23,34,300
IDFC Sterling Equity Fund Regular Plan Growth 2089	5,44,470	9,46,779
Kotak Liquid Fund	1,06,871	6,32,846
Kotak Equity Arbitrage fund Direct fortnightly Dividend Plan	-	7,70,97,663
Kotak Standard Multicap Fund Direct Plan Growth	7,40,425	4,18,377
Mirae Asset Cash Management Fund	1,07,002	6,12,853
Mirae Asset India Equity Fund Direct Plan	7,37,142	4,35,596
UTI Arbitrage Fund Direct Plan Dividend Reinvestment	-	5,06,76,711
ASK Investment Managers Limited -Domestic Resurgence PMS	21,31,456	-
ASK Investment Managers Limited IEP PMS A/C	21,11,143	-
<b>Investments in Tax Free Bonds -Quoted at FVTPL- Pledged*</b>		
7.03 % Housing and Urban Development Corporation Limited*	1,24,14,435	1,22,84,640
8.56 % Housing and Urban Development Corporation Limited*	2,58,62,227	2,52,29,134
8.48% India Infrastructure Finance Company Limited*	6,12,28,318	5,97,39,203
8.54% Power Finance Corporation Limited *	6,08,41,167	5,92,40,500
8.46 % Rural Electrification Corporation Limited Bond. *	2,32,92,342	2,26,99,208
7.22% Rural Electrification Corporation Limited *	1,37,73,752	1,36,63,520
7.55% Indian Railway Finance corporation *	2,11,22,978	2,12,39,096
8.20% NHAI 2022 *	2,16,36,519	2,17,35,600
8.20% Power Finance Corporation Ltd *	1,50,91,658	1,51,61,426
7.62% HUDCO 11 Nov 21 *	2,10,93,559	2,11,22,023
6.70% IRFC 8 March 2020	-	53,22,211
8.23% IRFC 18 Feb 24 *	57,91,680	57,58,911
<b>Investments in Listed Non convertible Debentures -Quoted at FVTPL</b>		
IIFL Wealth Finance Limited -8.25 MLD	-	6,85,43,400
Kotak Mahindra Prime Limited 8.70% MLD	4,60,52,000	4,25,80,000
Aditya Birla Finance Limited MLD NCD	3,35,31,000	3,06,72,000
HDB Financial Services Limited MLD	3,30,66,000	3,03,21,000
IIFL Wealth Finance Limited -9.25 MLD	-	1,09,94,100
Muthoot Finance Limited 9.5% NCD	10,03,210	10,50,000
Tata Capital Financial Services Ltd MLD	2,21,44,000	2,02,40,000
Tata Capital Financial Services Ltd MLD ASK	3,30,21,000	3,02,49,000



Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>Investments in Bonds and debentures -Unquoted at FVTPL</b>		
Rural Electrification Corporation Limited -Capital Gain Bonds	51,96,875	52,02,089
<b>Investments in Preference Shares- Quoted at FVTPL</b>		
6% Zee Entertainment Enterprises Limited	89,04,384	1,66,91,640
<b>Investments in Structured Entity - Unquoted at FVTPL</b>		
Aventus Enhanced Return Fund Class A1 Folio No. 32	1,57,00,931	5,40,65,873
Aventus Absolute Return Fund Long Short Cat 3	-	5,28,60,881
Estee Advisors Private Limited -PMS	-	5,40,06,875
India Real Estate Investment Fund	1,95,14,800	1,10,00,000
Total (A)	54,64,38,313	90,58,49,814
<b>Total</b>	<b>54,64,38,313</b>	<b>90,58,49,814</b>

\* Tax free bonds Valued at Rs 2821 lacs as on 31 March 2020 (valued at Rs. 2832 Lacs as on 31st March 2019) pledged with Kotak Mahindra Bank Limited for Over Draft limits taken by Paul Merchants Finance Private limited (Wholly owned Subsidiary of the company)

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Aggregate Value of Quoted Investments	50,60,25,707	72,87,14,096
Aggregate Value of Unquoted Investments	4,04,12,606	17,71,35,718
<b>Total</b>	<b>54,64,38,312</b>	<b>90,58,49,814</b>

**Note 7: FINANCIAL ASSETS- TRADE RECEIVABLES**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>Trade receivables</b>		
Trade Receivables Secured, considered good	-	-
Trade Receivables Unsecured, considered good	4,42,53,643	3,70,93,383
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit impaired.	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>4,42,53,643</b>	<b>3,70,93,383</b>

Trade Receivable stated above include debts due by:

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
	-	-

**Note 8: FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>Cash and cash equivalents</b>		
i) Cash in hand	1,22,04,346	2,79,45,672
ii) In Current Accounts	2,15,24,748	3,61,47,169
	<b>3,37,29,095</b>	<b>6,40,92,841</b>

**Note 9: FINANCIAL ASSETS - BALANCE WITH BANKS OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>Other Balances with Banks</b>		
i) In Term Deposit Accounts with > 3 month and <12 months maturity	42,49,323	47,77,932
ii) In earmarked Term Deposit Accounts		
a. Margin money	54,04,254	50,71,624
b. Guarantees & Other Commitments	3,61,613	3,38,909
iii) In Unclaimed dividend accounts	21,732	-
	<b>1,00,36,922</b>	<b>1,01,88,465</b>

**Note 10: FINANCIAL ASSETS - SHORT TERM LOANS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>Loan to Related Party</b>		
<b>Unsecured, Considered Good</b>		
Loan to Paul Merchants Finance Pvt Ltd (Wholly Owned Subsidiary)*	1,01,71,50,001	35,11,71,836
	<b>1,01,71,50,001</b>	<b>35,11,71,836</b>

**Disclosure as per regulation 34 read with Schedule V of SEBI (Listing Obligation and Disclosure requirements) regulations 2015**

Amount ( In Rs.)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Maximum Outstanding balance during the year	1,23,74,50,000	38,10,00,000

**Note 11: FINANCIAL ASSETS - SHORT TERM ADVANCES**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>Others</b>		
<b>Unsecured, Considered Good</b>		
1. Advances to Other Parties (Net)	1,32,41,100	1,48,66,228
2. Security Deposits	38,79,017	48,78,703
3. Staff Imprest	5,12,057	4,55,843
4. Claims Recoverable	5,67,011	8,85,386
	<b>1,81,99,185</b>	<b>2,10,86,160</b>

**Disclosure pursuant to Note No. VIII (iv) of Division II of Schedule III to the Companies Act, 2013**

Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other person or amount due by firms or private companies respectively in which any director is a partner or a director or a member are stated below:

Particulars	Amount ( In Rs.)	
	As at 31st Mar 2020	As at 31st Mar 2019
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is also a director *	1,01,71,50,001	35,11,71,836
	<b>1,01,71,50,001</b>	<b>35,11,71,836</b>

\* Loan to Paul Merchants Finance Pvt Ltd (Wholly Owned Subsidiary)

**Note 12: Current tax Assets**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Balances with government authorities		
a. GST Input Credit	4,02,473	5,17,132
b. Advance Tax	1,25,00,000	3,75,00,000
c. Tax Deducted at Source	5,00,79,339	1,44,12,732
<b>Total</b>	<b>6,29,81,811</b>	<b>5,24,29,863</b>

**Note 13: OTHER CURRENT ASSETS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Prepaid expenses	11,70,083	16,84,873
<b>Total</b>	<b>11,70,083</b>	<b>16,84,873</b>

**Note 15: OTHER EQUITY**
**Amount ( In Rs.)**

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
<b>A. Securities Premium Account</b>		
Opening Balance	50,40,000	50,40,000
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilized	-	-
<b>Closing Balance</b>	<b>50,40,000</b>	<b>50,40,000</b>
<b>B. Reserve and Surplus</b>		
Opening Balance	3,78,40,49,087	3,63,28,03,955
(+) Profit for Current Year	11,89,52,746	15,05,13,276
Other Comprehensive Income/(loss) (net of tax)	(18,21,453)	7,31,855
(-) Dividends	20,56,000	-
<b>Closing Balance</b>	<b>3,89,91,24,380</b>	<b>3,78,40,49,087</b>
<b>Total</b>	<b>3,90,41,64,380</b>	<b>3,78,90,89,087</b>

The Board of Directors in their meeting held on 06.08.2019 have declared an Interim Dividend for the Financial Year 2019-20 of Rs. 2/- (at the rate of 20%) per equity share out of the profits of the Company, on 10,28,000 (Ten Lakh Twenty Eight Thousand Only) fully paid up equity shares of the Company having face value of Rs. 10/- each aggregating to Rs. 20,56,000/- (Rupees Twenty Lakh Fifty Six Thousand Only). Dividend Distribution tax liability remains Nil on the said Dividend as the same has been adjusted with the Dividend Distribution tax paid by its wholly owned subsidiary company on Dividend Paid to Paul Merchants Limited during the year.

**Note 16: LONG TERM PROVISIONS**

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
<b>Provision for employee benefits</b>		
Gratuity - Unfunded	1,62,60,584	1,47,83,901
<b>Total</b>	<b>1,62,60,584</b>	<b>1,47,83,901</b>

**CURRENT FINANCIAL LIABILITIES****Note 17: CURRENT FINANCIAL LIABILITIES - BORROWINGS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>A. SECURED</b>		
<b>Loans repayable on demand- From Banks</b>		
(i) Cash Credit Facility (CC) -HDFC Bank Limited (Secured by Inventory and Debtors (future & current) and Hypothecation of one Property )	72,03,513	-
<b>Current maturities of long-term debt</b>		
a. Loans from ICICI Bank Ltd (Secured by Hypothecation of Property)	3,85,009	-
b. Car Loans from Kotak Mahindra Prime Limited (Secured by Hypothecation of Cars)	-	13,01,535
<b>Total</b>	<b>75,88,522</b>	<b>13,01,535</b>

**Note 18: FINANCIAL LIABILITIES - TRADE PAYABLES**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Sundry Creditors	6,99,95,324	3,63,32,589
<b>Total</b>	<b>6,99,95,324</b>	<b>3,63,32,589</b>

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Disclosure under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	NIL	NIL
(ii) the amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act	NIL	NIL
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	NIL	NIL

**Note 19: OTHER CURRENT LIABILITIES**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
(a) Expenses Payable	1,64,73,036	1,92,84,911
(b) Unclaimed dividends	21,732	-
(c) Advance From Customer	7,10,29,776	4,84,41,853
<b>(d) Other payables</b>		
(i) PF Payable	11,07,417	9,97,865
(ii) ESI Payable	1,10,272	1,79,869
(iii) TDS Payable	31,88,363	60,61,492
(iv) GST Payable	36,24,202	41,44,934
(iv) Kerala Cess Payable	7,580	-
<b>Total</b>	<b>9,55,62,379</b>	<b>7,91,10,924</b>

**Disclosure under Rule 16A of the Companies (Acceptance of Deposits) Rules, 2014**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Advance Received from Directors	NIL	NIL
Advance Received from relatives of Directors	NIL	NIL

**Note 20: SHORT TERMS PROVISIONS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
(a) Provision for employee benefits	59,40,695	84,59,922
(b) Others (Specify nature)		
Provision for Taxes	3,26,20,182	2,79,13,759
<b>Total</b>	<b>3,85,60,877</b>	<b>3,63,73,681</b>

Note 21: REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st Mar 2020 Amount ( In Rs.)	For the Year ended 31st Mar 2019 Amount ( In Rs.)
<b>Sale of Services</b>		
Foreign Exchange	53,41,38,38,713	48,46,18,48,299
FX Service Charges	2,29,24,769	2,20,29,355
Sales of Air Tickets*	-	37,56,04,955
Sales of Hotel Bookings & Packages*	2,02,31,568	4,02,60,407
Revenue from Air Ticketing *	1,63,22,802	-
Revenue from Hotel Bookings & Packages *	33,21,122	-
Revenue from Visa ,Bus Bookings, Railway	13,83,585	-
<b>Total - Sale of Services</b>	<b>53,47,80,22,559</b>	<b>48,89,97,43,016</b>
<b>Other Operating Revenues</b>		
Rewards & Incentives	66,07,249	4,21,32,540
Credit Card Encashment	51,77,155	55,19,600
Other Service charges #	8,70,24,579	4,22,12,056
AD-1 Referral - Commission #	7,80,92,543	2,77,09,392
International Money Transfer- Commission	71,64,554	1,34,74,091
Domestic Money Transfer - Commission	17,67,482	10,28,573
<b>Total - Other Operating Revenues</b>	<b>9,88,08,983</b>	<b>8,98,64,196</b>
<b>Total Revenue From Operations</b>	<b>53,57,68,31,542</b>	<b>48,98,96,07,212</b>

\* During the current year, the company has recognized and presented Net revenue from sale of Air tickets , Hotel and Tour packages, where company acts a agent whereas the same is shown on gross basis in previous year. Gross amount of the booking of Air tickets, Hotels and Packages etc. done on behalf of customers during the year ended 31st March 2020 was Rs. 3639.20 Lacs.

# During the current Year, Other service charges includes, AD-1 referral Commission Income of Rs. 780.92 Lacs which is presented on Gross basis in current year whereas in previous year the same is presented on Net basis at Rs 277.09 Lacs. The corresponding Commission Income on Gross basis for previous year ending 31st March 2019 was Rs 534.99 Lacs.

**Note 22: OTHER INCOME**

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
<b>A. Interest Income</b>		
1. Interest on Bank Deposits	7,08,849	2,18,60,534
2. Other Interest	10,54,08,619	2,35,28,524
3. Interest on Income Tax Refund	-	5,012
<b>B. Dividend Income</b>	80,93,682	80,76,552
<b>C. Net Gain on Sale/Fair Valuation of investments</b>	87,88,979	5,35,02,378
1. Realized Gain on Sale of investments	1,13,06,175	4,78,52,078
2. Net Unrealized gain/ (loss) on financial instruments at fair value through profit or loss	(25,17,196)	56,50,300
<b>D. Other non-operating income</b>	1,18,70,922	1,74,90,892
1. Rental Income	86,70,218	88,78,592
2. Profit on sale of Fixed Assets	15,21,726	42,37,348
3. Franchisee Fees	19,491	19,492
4. Miscellaneous Income	16,59,487	43,55,460
<b>Total</b>	<b>13,48,71,051</b>	<b>12,44,63,891</b>

**Note 23: Purchase of Foreign Exchange and Services**

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
Foreign Exchange	52,69,78,32,874	47,88,50,39,205
Air Tickets	-	35,59,15,041
Hotel Bookings & Packages	1,75,76,300	3,43,14,991
<b>Total</b>	<b>52,71,54,09,174</b>	<b>48,27,52,69,237</b>

**Note 24: Changes in Inventories of Stock in Trade**

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
Closing Stock of Foreign Exchange	6,94,48,944	4,66,25,220
Opening Stock of Foreign Exchange	4,66,25,220	4,88,27,307
<b>NET DECREASE/(INCREASE)</b>	<b>(2,28,23,724)</b>	<b>22,02,087</b>



**Note 25: DIRECT EXPENSES**

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
COMMISSION AND INCENTIVES	52,40,86,746	32,29,79,385
<b>Total</b>	<b>52,40,86,746</b>	<b>32,29,79,385</b>

During the current Year, Commission includes Rs. 416.14 Lacs towards AD -1 referral commission expense . The corresponding commission expense for AD-1 referral for previous year was Rs. 257.90 Lacs which was reduced from AD-1 referral Income and shown on Net Basis. Pls refer to Note 21 above.

**Note 26: OFFICE & ADMINISTRATIVE EXPENSES**

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
Bad Debts and Balances Written Off	1,77,444	1,00,996
Brokerage	10,19,067	2,12,442
Communication Expenses	39,04,034	43,77,768
Computer Expenses	54,59,895	72,64,183
Conference Expenses	5,70,776	15,43,773
Conveyance Expenses	28,90,224	46,77,456
Generator Running Expenses	1,23,894	1,42,778
Insurance	19,92,816	18,94,050
Legal, Professional & Outsourcing	43,83,483	73,28,695
Payments to Auditors-		
- Statutory Audit Fees	1,50,000	1,50,000
- Tax Audit Fees	50,000	50,000
Postage & Telegram	22,80,148	12,88,760
Power and Water Expenses	41,20,208	62,60,466
Printing and stationery	18,98,485	20,90,428
Rates and taxes	17,66,885	18,42,652
Rent	2,37,84,162	2,93,15,642
Repairs and maintenance	1,52,52,239	1,52,26,750
Office maintenance	8,98,829	12,81,019
Security Services	17,17,555	12,38,890
Travelling Expenses	78,61,327	76,27,674
Vehicle Running & Maintenances	26,32,622	24,72,233
Portfolio Management Services	1,07,066	8,28,835
<b>Office Expenses</b>	<b>1,40,526</b>	<b>1,65,698</b>
<b>Total</b>	<b>8,31,81,684</b>	<b>9,75,89,957</b>

**Note 27: EMPLOYEE BENEFIT EXPENSES**

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
Salaries & Allowances	17,08,70,923	18,74,06,459
Bonus	3,57,065	43,96,640
Leave Encashment	2,63,416	27,98,369
<b>Contributions to:</b>		
(i) Provident Fund	67,55,629	71,14,811
(ii) ESI	11,36,972	18,78,128
(iii) NPS	1,74,749	1,37,529
Gratuity	32,38,017	32,73,089
Staff Recruitment Expenses	89,118	1,90,728
Staff welfare expenses	44,87,045	67,74,062
<b>Total</b>	<b>18,73,72,933</b>	<b>21,39,69,814</b>

**Note 28: FINANCE COSTS**

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
<b>Interest Expenses:</b>		
Interest on Demand Loans	10,70,658	8,06,671
Interest on Term Loans	1,98,564	-
Interest on Car Loans	43,400	2,34,430
<b>Other Finance Expenses:</b>		
Bank Charges	27,77,031	28,60,211
Credit Card Charges	8,45,878	7,20,858
<b>Total</b>	<b>49,35,530</b>	<b>46,22,170</b>

**Note 29: SALES PROMOTION EXPENSES**

Particulars	For the Year ended 31st Mar 2020 Amount ( In Rs.)	For the Year ended 31st Mar 2019 Amount ( In Rs.)
Advertisement & Publicity	17,40,562	38,99,047
Business Promotion	52,29,707	1,09,00,263
<b>Total</b>	<b>69,70,269</b>	<b>1,47,99,310</b>

**Note 30: CSR- CORPORATE SOCIAL RESPONSIBILITY**

Particulars	For the Year ended 31st Mar 2020 Amount ( In Rs.)	For the Year ended 31st Mar 2019 Amount ( In Rs.)
Gross Amount Required to be spent by the Co. During the Year	46,34,591	58,40,449
Gross Rounded off Amount Required to be spent by the Co. During the Year	46,50,000	58,50,000
<b>A) Amount Spent During the year</b>	<b>Amount Paid</b>	<b>Amount Paid</b>
Animal Welfare	1,39,200	67,200
Promoting Healthcare	22,03,933	12,78,503
Eradicating hunger	8,60,351	9,82,847
Employment enhancing Vocation skills	77,425	57,000
Promoting education	4,71,600	6,98,000
Food and Sanitation	-	40,227
Old Age Home	10,00,000	25,00,000
Administrative overheads(Prop Salary of one employee dedicated for CSR activities)	1,41,941	2,50,000
<b>B) AMOUNT YET TO BE PAID</b>	<b>NIL</b>	<b>NIL</b>
<b>Total</b>	<b>48,94,450</b>	<b>58,73,777</b>

**Note 31: OTHER EXPENSES**

Particulars	For the Year ended 31st Mar 2020 Amount ( In Rs.)	For the Year ended 31st Mar 2019 Amount ( In Rs.)
Donations	1,77,594	66,573
Fees & Subscriptions	8,01,949	12,31,797
<b>Total</b>	<b>9,79,543</b>	<b>12,98,370</b>

**Note 32: EXCEPTIONAL LOSS ON SALE OF PROPERTY**

Particulars	For the Year ended 31st Mar 2020 Amount ( In Rs.)	For the Year ended 31st Mar 2019 Amount ( In Rs.)
Loss on Sale of Property	1,29,17,116	-
During the year ended March 2020, the company had sold its three properties at Delhi, Chandigarh and Mohali and incurred Net loss on such sale amounting to Rs. 129.17 Lacs. The same is reported as Exceptional Item in the Statement of Profit and Loss.		

Note 14: EQUITY SHARE CAPITAL

A. Authorised, Issued, Subscribed & Paid up Share Capital and Par Value per Share

Particulars	As at 31st Mar 2020		As at 31st Mar 2019	
	Number	Amount ( In Rs.)	Number	Amount ( In Rs.)
<b>Authorised</b>				
Equity Shares of Rs. 10 each	20,00,000	2,00,00,000	20,00,000	2,00,00,000
<b>Issued, Subscribed &amp; fully Paid up</b>				
Equity Shares of Rs. 10 each fully paid	10,28,000	1,02,80,000	10,28,000	1,02,80,000
<b>Total</b>	<b>10,28,000</b>	<b>1,02,80,000</b>	<b>10,28,000</b>	<b>1,02,80,000</b>

B. Reconciliation of Number of Shares Outstanding at the beginning and end of the year

Particulars	Equity Shares			
	As at 31st Mar 2020		As at 31st Mar 2019	
	Number	Amount ( In Rs.)	Number	Amount ( In Rs.)
Shares outstanding at the beginning of the year	10,28,000	1,02,80,000	10,28,000	1,02,80,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>10,28,000</b>	<b>1,02,80,000</b>	<b>10,28,000</b>	<b>1,02,80,000</b>

C. Rights, Preferences and Restrictions attaching to various classes of Shares

Class of Shares	Rights, Preferences and Restrictions attaching to various classes of Shares
Equity Shares	No Special Rights, Preferences & Restrictions Attached

D. Shares in the company held by each shareholder holding more than 5% shares

Name of Shareholder (Mr./Mrs.)	Equity Shares			
	As at 31st Mar 2020		As at 31st Mar 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sat Paul Bansal	-	-	2,01,100	19.56
Sarita Rani Bansal	3,45,600	33.62	1,44,500	14.06
Rajneesh Bansal	1,49,746	14.57	1,49,746	14.57
Sandeep Bansal	1,44,507	14.06	1,44,507	14.06
Paul Excursions Pvt. Ltd.	1,02,355	9.96	1,02,355	9.96

**Note 33. MANAGERIAL REMUNERATION**

During the year the company incurred an expense towards managerial remuneration as detailed below:

Name of Director	Designation	For the Year ended 31st Mar 2020 Rs. In Lacs	For the Year ended 31st Mar 2019 Rs. In Lacs
Mr. Sat Paul Bansal	Chairman cum Managing Director	408.00	504.00
Mr. Rajneesh Bansal	Executive Director	95.43	70.86
Mr. Dharam Pal Sharma	Whole Time Director	8.78	8.45
<b>Total</b>		<b>512.21</b>	<b>583.31</b>

**Computation of Net Profit in accordance with Section 198 of the Companies Act, 2013:**

Particulars	For the Year ended 31st Mar 2020 Rs. In Lacs	For the Year ended 31st Mar 2019 Rs. In Lacs
Profit Before Tax & Exceptional Items	1,785.16	1,428.76
Add: Managerial Remuneration	512.21	583.31
Add: Loss (Profit) on Sale of Fixed Assets	(15.22)	(40.29)
Add: Unrealized loss (Gain) on Investment	25.17	(56.50)
<b>Net Profit for the Year</b>	<b>2,307.33</b>	<b>1,915.28</b>

The Remuneration of Sh. Sat Paul Bansal, Chairman cum Managing Director had been approved by the Shareholders of the Company by way of Special Resolution in their Annual General Meeting held on 30.09.2019, wherein the Shareholders approved payment of the above remuneration in the event of absence or inadequacy of profits in any financial year. Vide the said Special Resolution, the shareholders had further approved that the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to him may exceed the limits prescribed in Section 197 of the Companies Act, 2013. Further the remuneration paid to Sh. Sat Paul Bansal also includes an amount of Rs. 240 Lacs paid as instalment of the Special Incentive as approved by the Shareholders of the Company by way of Special Resolution passed through the process of Postal Ballot dated 16-11-2018.

The Remuneration of Sh Rajneesh Bansal, Executive Director had been approved by the Shareholders of the Company by way of Special Resolution passed through the process of Postal Ballot dated 16-11-2018, wherein the Shareholders approved payment of the above remuneration, irrespective of the amount of profits of the Company. Vide the said Special Resolution, the shareholders had further approved that the remuneration of other Whole Time Directors of the Company shall remain unaffected in spite of the fact that the remuneration payable to him may exceed the limits prescribed in Section 197 of the Companies Act, 2013.

**Note 34. CONTINGENT LIABILITY NOT PROVIDED FOR**

Particulars	As at 31 March 2020 (Rs. In Lacs)	As at 31 March 2019 (Rs. In Lacs)
Claims against company not acknowledged as Debt	143.38	145.64
Outstanding Bank Guarantees	23.62	110.36
Service Tax Demand Notice pending Departmental Appeal with High Court (excl. Interest)	335.42	335.42
Corporate Guarantee in Respect of JV in Malaysia	1,506.40	1,386.44
Corporate Guarantee in Respect of OD Limits taken by Paul Merchants Finance Private Limited Company from Kotak Mahindra Bank Limited and ICICI Bank Limited	4,000.00	4,000.00
<b>Total</b>	<b>6,008.82</b>	<b>5,977.86</b>

**Note 35. Joint Venture Details**

The company has a Joint Venture (JV) with Weizmann Forex Ltd. having 19.424% (Previous Year 19.424%) stake in a Company in Malaysia. The stake was acquired by direct acquisition of shares of M/s Horizon Remit SDN BHD (formally M/s Prabhu Remit SDN BHD). The Other Details pursuant to Financial Reporting of Interests in Joint Ventures are as follows:

Particulars	(Rs. In Lacs)	
	As at 31 March 2020	As at 31 March 2019
Interest in JV (%)	19.42%	19.42%
Value of Capitalized Investment in JV	304.72	304.72
Proportional Interest in		
- Assets	53.26	188.64
- Liabilities	44.71	151.33
Share of Income/(Loss) from JV	(29.83)	9.01
Expenditure Incurred	-	-

Note 36. Earnings per Share

Particulars	As at 31 March 2020 Amount ( In Rs.)	As at 31 March 2019 Amount ( In Rs.)
<b>Earnings per Share- Continuing Operations</b>		
Net Profit for the Year (Rs. )	11,89,52,746	15,05,13,276
Number of Equity Shares (Nos. )	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share )	115.71	146.41
<b>Earnings per Share - Discontinued Operations</b>		
Net Profit for the Year (Rs. )	-	-
Number of Equity Shares (Nos. )	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share )	-	-
<b>Earnings per Share - Continuing and Discontinued Operations</b>		
Net Profit for the Year (Rs. )	11,89,52,746	15,05,13,276
Number of Equity Shares (Nos. )	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share )	115.71	146.41

Note 37. Employee Benefits

Disclosure on employee benefits with regard to defined benefit plans, as per IND AS 19- Employee Benefits is as below:

Particulars of Defined Benefit Plan- Gratuity	As at 31 March 2020 Amount ( In Rs.)	As at 31 March 2019 Amount ( In Rs.)
<b>Assumptions</b>		
Discount rate	6.75% per annum	7.76% per annum
Rate of increase in Compensation levels	5.50% per annum	5.50% per annum
Rate of Return on Plan Assets Not Applicable Not Applicable	NA	NA
<b>Change in Present Value of Obligations</b>		
<b>Opening of defined benefit obligations</b>	<b>1,51,95,070</b>	<b>1,75,33,126</b>
Acquisition Adjustments (Transfer Out)	-	-
Service cost	20,58,880	19,00,245
Interest Cost	11,79,137	13,72,844
Benefit Paid	-39,02,488	-44,86,183
<b>Actuarial (Gain)/Loss on total liabilities</b>	<b>24,34,056</b>	<b>-11,24,962</b>
- due to change in financial assumptions	20,09,867	1,24,493
- due to change in demographic assumptions	-	-
- due to experience variance	4,24,189	-12,49,455
<b>Closing of defined benefit obligation/liability</b>	<b>1,69,64,655</b>	<b>1,51,95,070</b>
<b>The amount to be recognized in Statement of Assets and Liabilities</b>		
Present Value of Obligations	1,69,64,655	1,51,95,070
Fair value of plan assets	-	-
Net defined liability/(asset) recognized in balance sheet	1,69,64,655	1,51,95,070
<b>Expense recognized in Statement of profit and loss</b>		
Service cost	20,58,880	19,00,245
Interest Cost	11,79,137	13,72,844
Expense recognized in Statement of profit and loss	32,38,017	32,73,089
<b>Other Comprehensive Income</b>		
Actuarial (Gain)/Loss on total liabilities	24,34,056	-11,24,962

**Note 38. Related Party Disclosures**

(Disclosure as per Ind AS 24 )

**A. List of Related Parties**

Name of Related Party	Relationship
Sat Paul Bansal	Chairman cum Managing Director
Rajneesh Bansal	Executive Director
Dharam Pal Sharma	Whole Time Director & Designated Director
Sarita Rani Bansal	Non-Executive Director
Sandeep Bansal	Non-Executive Director
Bhupinder Kaur	Key Management Personnel- CFO
Hardam Singh	Key Management Personnel- CS
Paul Merchants Finance Private Limited	Wholly Owned Subsidiary
PML Realtors Pvt Ltd	Wholly Owned Subsidiary
Horizon Remit SDN BHD, Malaysia	Joint Venture Company
Paul and Singla Realtors LLP	LLP in which PML Realtors Pvt Ltd wholly owned subsidiary is designated Partner
Paul Spaces LLP	LLP in which three Directors of the company are also Partners till 16.05.2019
Paul E Commerce Pvt Ltd	Private company in which Two directors also Directors and shareholders and relative of director is also Director and Shareholder
Paul Energy Projects Pvt Ltd	Private company in which Three directors also Directors and shareholders.
Paul Excursions Pvt. Ltd	Private company in which Two directors are also Directors and shareholders.
Paul Overseas Pvt Ltd	Private Company in which Two Directors are also Directors and One Director is also Shareholder.
Paul Fast Remit Pvt Ltd	Private company in which Two directors are Directors and Two Directors are shareholders.
Talk More Communications Pvt. Ltd	Private Company in which One Director is Director and Shareholder
PML Holidays Pvt Ltd	Private company in which Two directors are also Directors and shareholders.
EBIX Money Express Private Limited	Private Company in which One Director was a Director during the year ended Mar 2019
Paul Distributors	Sole Proprietorship Firm of Director

**B. Related Party Transactions in Ordinary Course of Business**

For the Year ended 31st Mar 2020

(Rs. In Lacs)

Nature of Transaction	Directors	Key Management Personnel	Wholly Owned Subsidiary	Related Party	Total
Managerial Remuneration - Whole Time Directors	512.21	-	-	-	512.21
Remuneration - KMPs	-	45.69	-	-	45.69
Rent Paid for Premises	22.85	-	1.08	7.81	31.74
Rent Received	-	-	20.21	7.94	28.15
Net Service Charges Earned - Indo Nepal & DMT from Paul Merchants Finance Private Limited	-	-	17.67	-	17.67
Net additional working capital limit issued to Paul Merchants Finance Private Limited during the year	-	-	6,681.50	-	6,681.50
Interest earned from Paul Merchants Finance Private Limited on Working Capital limit	-	-	804.35	-	804.35
Security Expense paid	-	-	6.48	-	6.48
Dividend Received	-	-	49.63	-	49.63
Commission for cross reference Sales	-	-	0.89	-	0.89
Sale of Goods/Services	-	-	24.63	13.65	38.28

There are no transactions with related parties, which are not in ordinary course of business or not at arm's length.

**C. Related Party Outstanding Balance as on:**

Nature of Transaction	Directors	Key Management Personnel	Subsidiary	Related Party	Total
Balance as on 31st March 2020					
Outstanding Unsecured Loan to Paul Merchants Finance Private Limited			10,171.50		

Pls refer to Note 1 ,2 &amp; 34 for details on Securities/Assets pledged and Corporate Gaurantee given for Sanction of Limits in Paul Merchants Finance Pvt Limited from Kotak Bank and ICICI Bank

**C. Related Party Transactions in Ordinary Course of Business for the Previous Year ended 31st Mar 2019**
**(Rs. In Lacs)**

Nature of Transaction	Directors	Key Management Personnel	Subsidiary	Related Party	Total
Managerial Remuneration	583.31	-	-	-	583.31
Salary paid		44.75	-	-	44.75
Rent Paid for Premises	20.07	-	8.09	-	28.15
Rent Received	-	-	25.29	50.33	75.61
Service Charges Earned (net)	-	-	10.29	-	10.29
Commission Received	-	-	-	134.74	134.74
Unsecured Loan to Paul Merchants Finance Private Limited		-	3,990.00	-	3,990.00
Repayment of Loan by Paul merchants Finance Private Limited		-	500.00	-	500.00
Interest earned on Loan	-	-	28.25	-	28.25
Sale of Shares held in Ebix Money Express Pvt Ltd		-	-	3,420.00	3,420.00
Investment in Paul Merchants Finance Private Limited	1,861.90	-	6,700.23	-	8,562.13
Investment in PML Realtors Pvt Ltd		-	1,530.00	-	1,530.00
Security Deposit received				3.83	3.83
Security Deposit adjusted against Rent				0.83	0.83

**D. Related Party Outstanding Balance as on 31 March 2019**

Outstanding Unsecured Loan to Paul merchants Finance Private Limited	-	-	3,511.72	-	3,511.72
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**Note 39. Deferred Tax**
*(As per IND AS 12 Income taxes)*

Deferred Tax Assets on Account of Timing Differences	As at 01.04.2019	Arising During the Year	As at 31.03.2020
Depreciation	3,00,73,122	(1,33,58,295)	1,67,14,827
Provision for Gratuity	53,09,765	-10,40,101	42,69,664
Provision for Other employee benefits	18,48,554	-6,79,630	11,68,924
Unrealized Loss on Investments	-	6,36,366	6,36,366
<b>Deferred Tax Liability</b>			
Unrealized Gain on Investments	(19,74,441)	19,74,441	-
<b>Net Deferred Tax Asset</b>	<b>3,52,57,001</b>	<b>(1,24,67,220)</b>	<b>2,27,89,781</b>



**Note 40. Segment Reporting**

As per IND AS-108 on Segment Reporting, segment Information is provided below:

(Amount Rs in Lacs)

Sr. No	PARTICULARS	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
<b>1</b>	<b>Segment Revenue</b>		
(a)	Forex	5,35,223	4,85,221
(b)	Travel	456	4,240
(c)	Others	89	435
	<b>Total</b>	<b>5,35,768</b>	<b>4,89,896</b>
	<b>Less: Inter Segment Revenue</b>		
(a)	Forex	-	-
(b)	Travel	-	-
(c)	Others	-	-
	<b>Net sales/Income From Operations</b>	<b>5,35,768</b>	<b>4,89,896</b>
<b>2</b>	<b>Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#</b>		
(a)	Forex	1,076	866
(b)	Travel	105	141
(c)	Others	70	413
	<b>Total</b>	<b>1251</b>	<b>1420</b>
	<b>Less:</b>		
i)	Interest	49	46
ii)	Other Un-allocable Expenditure net off	894	1,189
iii)	Un-allocable income	1,349	1,245
	<b>Total Profit Before Tax</b>	<b>1,656</b>	<b>1,429</b>
	Segment - International Money Transfer (Discontinued)		260
	<b>Total Profit Before Tax (Continuing and Discontinued Operations)</b>	<b>1,656</b>	<b>1,689</b>
<b>3</b>	<b>Segment Assets</b>		
(a)	Segment - Forex	2,358	5,366
(b)	Segment - Travel	204	276
(c)	Segment - Others	-	-
(d)	Unallocated Assets	38,862	34,031
	<b>Total</b>	<b>41,424</b>	<b>39,673</b>
<b>4</b>	<b>Segment Liabilities</b>		
(a)	Segment - Forex	1,586	1,196
(b)	Segment - Travel	61	135
(c)	Segment - Others	-	-
(d)	Unallocated Liabilities	633	348
	<b>Total</b>	<b>2,280</b>	<b>1,679</b>
<b>5</b>	<b>Capital Employed</b>		
(a)	Forex	772	4,170
(b)	Travel	143	141
(c)	Others	-	-
(e)	Unallocated Assets	38,862	34,031
(f)	Unallocated Liabilities	633	348
	<b>Total</b>	<b>39,144</b>	<b>37,994</b>

**Note 41. Other Notes**

- a Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.
- b Additional information pursuant to Schedule III Division II part I & II of the Companies Act, 2013 other than stated above is either NIL or Not Applicable.
- c The previous Year figures have been regrouped/re-classified/re-stated wherever necessary to conform with the current presentation.
- d Notes form integral part of Accounts for the year ending 31st March 2020.

**PLACE: CHANDIGARH**

**DATED: 25.06.2020**

**AUDITOR'S REPORT:**

**As per our Separate Report of the Even Date**

**For & on Behalf of Board of Directors**

**SAT PAUL BANSAL**

**Chairman cum  
Managing Director**

DIN-00077499

H. No. 749,

Sec 8, Chandigarh

**RAJNEESH BANSAL**

**Executive Director**

**DIN-00077230**

H. No. 749,

Sec 8, Chandigarh

**For Jain & Associates**

**CHARTERED ACCOUNTANTS**

**(FRN – 01361N)**

**HARDAM SINGH**

**Company Secretary**

FCS-5046

H. No. 12D, Angel Appt.

Zirakpur

**BHUPINDER KAUR**

**Chief Financial Officer**

FCA-508485

H. No. 5, ASTHA ENCLAVE-2

Sec. 127, MOHALI

**CA. NEERAJ JAIN,**

**Partner**

**(M. No. 089477)**

**INDEPENDENT AUDITOR'S REPORT**

**TO THE BOARD OF DIRECTORS OF PAUL MERCHANTS LIMITED**

**Report on the audit of the Consolidated Financial Results**

**Opinion**

We have audited the accompanying Consolidated financial statements of **PAUL MERCHANTS LIMITED** ("The Company"), its subsidiaries and joint Venture (the Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are

relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Our opinion is not modified in respect of this matter.

### **Management's Responsibilities for the Consolidated Financial Results**

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Group including its associates and jointly controlled entities in accordance with Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of

Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- ❖ Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the

Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

- ❖ Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- ❖ Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

## **Other Matters**

The Consolidated Financial Statements includes the unaudited Financial Results of its Malaysian Joint Venture whose interim Financial Statements/Financial Results/ financial information reflect Group's share of total net loss after tax of Rs. 29.83 lacs for the year ended 31st March 2020, as considered in the Consolidated Financial Statements. For the purpose of consolidation, unaudited Financial Results/ financial information for the quarter ending Mar 2020 and audited Financial Statements for the period ended Dec 2019 have been considered.

The above said annual/interim Financial Statements/Financial Results/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of the above Joint Venture is based solely on such annual/interim Financial Statements/Financial Results/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements/Financial Results/financial information are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the Financial Results/financial information certified by the Board of Directors.

## **Report on Other Legal and Regulatory Requirements**

1. As required by section 143 (3) of the Act, we report, to the extent applicable that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.;
  - b. In our opinion proper books of account as required by law for preparation of aforesaid Consolidated Financial Statements have been kept by the Company and its subsidiaries so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in

equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the Directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No.- 01361N**

**(NEERAJ JAIN)  
PARTNER  
M. No. 089477  
UDIN: 20089477AAAACK1171**

**Date: 25.06.2020  
Place: Chandigarh**



**“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of Paul Merchants Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Paul Merchants Limited (“the Company”) and its Subsidiaries (Paul merchants Finance Private Limited and PML Realtors Private Limited) as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Company and its subsidiary companies.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company and its Indian Subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No.- 01361N**

**(NEERAJ JAIN)  
PARTNER  
M. No. 089477  
UDIN: 20089477AAAACK1171**

**Date: 25.06.2020  
Place: Chandigarh**

**PAUL MERCHANTS LTD**  
**CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2020**

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	As on 31.03.2020	As on 31.03.2019
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
a) Property, Plant and Equipment	1	63,97,01,797	75,67,89,221
b) Financial Assets			
i) Investments	2	43,15,685	72,98,569
c) Deferred Tax Assets (Net)	3	2,44,00,968	3,57,06,389
d) Other Non-Current Assets	4	70,88,408	18,38,19,458
<b>(2) Current Assets</b>			
a) Inventories	5	8,02,15,304	4,66,90,380
b) Financial Assets			
i) Current Investments	6	54,67,31,887	97,99,69,029
ii) Trade Receivables	7	4,42,53,643	3,70,93,383
iii) Cash and Bank Balance	8	15,83,17,409	11,85,48,203
iv) Bank Balance other than iii above	9	1,00,36,922	1,06,51,879
v) Loans	10	2,88,51,73,262	1,76,75,55,952
vi) Others	11	3,10,58,337	2,38,53,324
c) Current Tax Assets	12	11,74,98,443	8,11,70,907
d) Other Current Assets	13	57,75,533	49,33,973
<b>TOTAL</b>		<b>4,55,45,67,598</b>	<b>4,05,40,80,668</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Shri Laxmi Ji		1	1
a) Equity Capital	14	1,02,80,000	1,02,80,000
b) Other Equity	15	3,92,20,90,782	3,66,37,48,120
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
<b>a) Financial Liabilities</b>			
i) Borrowings		-	-
b) Provisions	16	1,92,28,295	1,63,93,929
<b>(2) Current Liabilities</b>			
<b>a) Financial Liabilities</b>			
i) Borrowings	17	33,05,42,946	16,84,40,575
ii) Trade Payables	18	7,24,57,300	4,06,19,018
iii) Other Financial Liabilities		-	-
<b>b) Other Current Liabilities</b>			
c) Provisions	19	10,37,72,034	8,47,15,739
	20	9,61,96,240	6,98,83,287
<b>TOTAL</b>		<b>4,55,45,67,598</b>	<b>4,05,40,80,668</b>

The accompanying accounting policies and notes form an integral part of the consolidated financial statements.

PLACE: CHANDIGARH  
DATED: 25.06.2020

For & on Behalf of Board of Directors

**SAT PAUL BANSAL**  
Chairman cum Managing Director  
DIN-00077499  
H. No. 749,  
Sec 8, Chandigarh

**HARDAM SINGH**  
Company Secretary  
FCS-5046  
H. No. 12D, Angel Appt.  
Zirakpur

**RAJNEESH BANSAL**  
Executive Director  
DIN-00077230  
H. No. 749,  
Sec 8, Chandigarh

**BHUPINDER KAUR**  
Chief Financial Officer  
FCA-508485  
H. No. 5, ASTHA ENCLAVE-2  
Sec. 127, MOHALI

AUDITOR'S REPORT:

As per our Separate Report of the Even Date

For Jain & Associates  
CHARTERED ACCOUNTANTS  
(FRN – 01361N)

**CA. NEERAJ JAIN**  
Partner  
(M. No. 089477)

**PAUL MERCHANTS LTD**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MAR 2020**

CIN-L74900DL1984PLC018679

Amount in Rupees

PARTICULARS	Note	CURRENT YEAR 31.03.2020	PREVIOUS YEAR 31.03.2019
<b>I. REVENUE</b>			
Revenue from Operations	21	54,01,12,34,546	49,16,94,43,043
Other Income	22	4,95,41,295	12,94,75,040
<b>III Total Income (I+II)</b>		<b>54,06,07,75,841</b>	<b>49,29,89,18,083</b>
<b>IV. EXPENSES</b>			
Purchase of Foreign Exchange, stock and Services	23	52,72,61,10,374	48,27,52,69,237
Changes in Inventories of Stock in Trade	24	-3,35,24,924	22,02,087
Direct Expenses	25	52,67,59,252	32,29,79,385
Office & Administrative Expenses	26	13,56,21,695	13,45,33,099
Employee Benefit Expenses	27	25,70,06,299	25,37,00,128
Finance Costs	28	2,45,99,528	1,18,54,540
Sales Promotion Expenses	29	1,18,01,407	1,66,46,557
Corporate Social Responsibility Expenses	30	56,08,327	58,73,777
Other Expenses	31	9,79,543	12,98,370
Depreciation	1	3,22,62,126	3,49,48,370
<b>TOTAL EXPENSES IV</b>		<b>53,68,72,23,627</b>	<b>49,05,93,05,550</b>
<b>V. PROFIT BEFORE EXCEPTIONAL ITEMS &amp; TAX (III - IV)</b>		<b>37,35,52,214</b>	<b>23,96,12,533</b>
VI. EXCEPTIONAL ITEMS	32	1,29,17,116	-
<b>VII. PROFIT BEFORE TAX (V - VI)</b>		<b>36,06,35,098</b>	<b>23,96,12,533</b>
<b>VIII. TAX EXPENSE</b>			
(1) Current Tax		8,16,58,886	5,41,81,631
(2) Prior Period Tax		9,46,502	-52,58,039
(2) Deferred Tax	38	1,13,05,420	-2,92,05,021
<b>PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII - VIII)</b>		<b>26,67,24,290</b>	<b>21,98,93,962</b>
X Profit/Loss from Discontinued Operations		-	-
XI Tax Expense of Discontinued Operations		-	-
<b>PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X-XI)</b>		-	-
XII Share of Profit (Loss) of associates and joint ventures accounted for using equity method		-29,82,884.03	9,01,480.00
<b>XIII PROFIT/(LOSS) FOR THE PERIOD (IX+XII)</b>		<b>26,37,41,406</b>	<b>22,07,95,442</b>
<b>XIV OTHER COMPREHENSIVE INCOME</b>			
A (i) Items that will not be reclassified to profit or loss- Remeasurement Gain(Loss) on defined benefit obligations		-30,62,976	1,82,367
(ii) Income tax relating to items that will not be reclassified to profit or loss		7,70,903	-1,30,877
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XV TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV)</b>		<b>26,14,49,333</b>	<b>22,08,46,932</b>
<b>Profit or loss, attributable to:</b>			
Owners of the Company		26,37,41,406	22,07,95,442
Non-controlling interests		-	-
<b>Total Comprehensive income for the period attributable</b>			
Owners of the Company		26,14,49,333	22,08,46,932
Non-controlling interests		-	-
<b>XVI EARNING PER EQUITY SHARE (FOR CONTINUING OPERATION)</b>	36		
1) BASIC		256.56	214.78
2) DILUTED		256.56	214.78
<b>XVII EARNING PER EQUITY SHARE (FOR DISCONTINUED OPERATION)</b>	36		
1) BASIC		-	-
2) DILUTED		-	-
<b>XVIII EARNING PER EQUITY SHARE (FOR CONTINUING &amp; DISCONTINUED OPERATION)</b>	36		
1) BASIC		256.56	214.78
2) DILUTED		256.56	214.78

The accompanying accounting policies and notes form an integral part of the standalone financial statements.

PLACE: CHANDIGARH  
DATED: 25.06.2020

For & on Behalf of Board of Directors

AUDITOR'S REPORT:  
As per our Separate Report of the Even Date

**SAT PAUL BANSAL**  
Chairman cum Managing Director  
DIN-00077499  
H. No. 749,  
Sec 8, Chandigarh

**RAJNEESH BANSAL**  
Executive Director  
DIN-00077230  
H. No. 749,  
Sec 8, Chandigarh

For Jain & Associates  
**CHARTERED ACCOUNTANTS**  
(FRN – 01361N)

**HARDAM SINGH**  
Company Secretary  
FCS-5046  
H. No. 12D, Angel Appt.  
Zirakpur

**BHUPINDER KAUR**  
Chief Financial Officer  
FCA-508485  
H. No. 5, ASTHA ENCLAVE-2  
Sec. 127, MOHALI

**CA. NEERAJ JAIN**  
Partner  
(M. No. 089477)

**PAUL MERCHANTS LTD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020**  
CIN-L74900DL1984PLC018679

**A Equity Share Capital**

Changes in equity share capital for the year ended		
Particulars	31st March, 2020 Amount (Rs)	31st March, 2019 Amount (Rs)
Balance at the beginning of the reporting period	1,02,80,000	1,02,80,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	1,02,80,000	1,02,80,000

**B Other Equity**

Changes in other equity for the year ended 31st March, 2020

Particulars	Reserves and Surplus			Non Controlling Interest	Total
	Security premium Account	Other Statutory reserve	Retained Earnings		
Balance as on 01.04.2019	75,95,07,882	1,58,90,406	2,88,83,49,832	-	3,66,37,48,120
Net Profit / Loss for the year			26,37,41,406		26,37,41,406
OCI -Remeasurement of net defined benefit plans			(22,92,073)		(22,92,073)
Dividend			(31,06,670)		(31,06,670)
Transfer to Statutory Reserves		3,01,38,255	(3,01,38,255)		-
<b>Balance as on 31.03.2020</b>	<b>75,95,07,882</b>	<b>4,60,28,661</b>	<b>3,11,65,54,239</b>	<b>-</b>	<b>3,92,20,90,782</b>

Changes in other equity for the year ended 31st March, 2019

Particulars	Reserves and Surplus			Non Controlling Interest	Total
	Security premium Account	Other Statutory reserve	Retained Earnings		
Balance as on 01.04.2018	30,18,04,032	21,26,863	3,19,97,64,404	12,83,95,637	3,63,20,90,935
Net Profit / Loss for the year			22,07,95,442		22,07,95,442
OCI -Remeasurement of net defined benefit plans			51,490		51,490
Security Premium Issued	37,37,08,282				37,37,08,282
Transfer to Statutory Reserves		1,31,61,559	(1,31,61,559)		-
Loss on acquisition of stake in Subsidiary			(52,17,56,290)		(52,17,56,290)
Non Controlling Interest Acquired	8,39,95,568	6,01,984	26,56,345	(12,83,95,637)	(4,11,41,740)
<b>Balance as on 31.03.2019</b>	<b>75,95,07,882</b>	<b>1,58,90,406</b>	<b>2,88,83,49,832</b>	<b>-</b>	<b>3,66,37,48,120</b>

PLACE: CHANDIGARH

DATED: 25.06.2020

For & on Behalf of Board of Directors

AUDITOR'S REPORT:  
As per our Separate Report of the Even Date

**SAT PAUL BANSAL**  
Chairman cum Managing Director  
DIN-00077499  
H. No. 749,  
Sec 8, Chandigarh

**RAJNEESH BANSAL**  
Executive Director  
DIN-00077230  
H. No. 749,  
Sec 8, Chandigarh

For Jain & Associates  
CHARTERED ACCOUNTANTS  
(FRN – 01361N)

**HARDAM SINGH**  
Company Secretary  
FCS-5046  
H. No. 12D, Angel Appt.  
Zirakpur

**BHUPINDER KAUR**  
Chief Financial Officer  
FCA-508485  
H. No. 5, ASTHA ENCLAVE-2  
Sec. 127, MOHALI

**CA. NEERAJ JAIN**  
Partner  
(M. No. 089477)

# PAUL MERCHANTS LTD

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31ST MARCH, 2020

CIN-L74900DL1984PLC018679

Amount (in Rs.)

PARTICULARS	CURRENT YEAR 31.03.2020	PREVIOUS YEAR 31.03.2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	35,45,89,238	23,97,94,900
Adjustment for:		
Depreciation	3,22,62,126	3,49,48,370
Profit/Loss on Sale of Fixed Assets/Investments	1,13,95,390	(40,28,577)
Gain on Sale of Investments	(1,16,05,852)	(4,98,87,748)
Finance Cost	2,45,99,528	1,18,54,540
Short Term Provisions	2,63,12,956	(60,31,49,204)
Long Term Provisions	28,34,366	12,03,536
Rental Income	(66,49,019)	(96,69,252)
Interest Income	(2,56,82,939)	(4,42,10,279)
Dividend Received	(43,80,682)	(1,01,34,523)
Other Adjustments	-	6,39,726
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>40,36,75,112</b>	<b>(43,26,38,512)</b>
<b>Adjustment for :</b>		
Net changes in operating Assets & Liabilities		
Inventory	(3,35,24,924)	22,02,087
Current Investments	44,48,42,993	29,17,07,737
Trade receivable	(71,60,260)	12,08,18,230
Other Bank Balance	6,14,957	86,88,33,010
Short Term Loans & Advances	(1,12,48,22,323)	(1,19,18,68,426)
Current Tax Assets	(3,63,27,536)	57,42,93,548
Other Current Assets	(8,41,560)	(15,16,666)
Trade Payables	3,18,38,282	(4,06,33,282)
Other Current Liabilities	1,90,56,295	(1,39,32,227)
<b>CASH FROM/(USED IN) OPERATIONS</b>	<b>(30,26,48,963)</b>	<b>17,72,65,499</b>
Income Taxes Paid	(8,18,34,486)	(4,87,92,716)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>(38,44,83,448)</b>	<b>12,84,72,783</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	10,24,65,197	6,45,24,552
Purchase of Fixed Assets	(2,90,35,288)	(9,48,79,850)
Movement in Non Current Investments	29,82,884	(9,01,480)
Movement in Other Non Current Assets	17,67,31,050	(9,10,15,504)
Acquisition of stake in Subsidiary	-	(18,91,89,748)
Rental Income	66,49,019	96,69,252
Interest Income	2,56,82,939	4,42,10,279
Dividend Income	43,80,682	1,01,34,523
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>28,98,56,483</b>	<b>(24,74,47,976)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid (Including Dividend Distribution Tax)	(31,06,670)	-
Borrowings (Net of Repayments)		
Long Term Borrowings	-	(13,44,277)
Short Term Borrowings	16,21,02,371	(4,68,22,800)
Finance Cost	(2,45,99,528)	(1,18,54,540)
<b>NET CASH FROM/ (USED) IN FINANCING ACTIVITIES</b>	<b>13,43,96,173</b>	<b>(6,00,21,617)</b>
Net Change in Cash & Cash Equivalents (A+B+C)	3,97,69,207	(17,89,96,810)
Cash and Cash equivalent at the beginning of the year	11,85,48,203	29,75,45,013
<b>Cash and Cash equivalents at the end of the year</b>	<b>15,83,17,409</b>	<b>11,85,48,203</b>

Place : Chandigarh.  
Dated : 25.06.2020

For & on behalf of Board of Directors

**(HARDAM SINGH)**  
Company Secretary  
FCS-5046  
H. No. 12D, Angel Appt.  
Zirakpur

**(BHUPINDER KAUR)**  
Chief Financial Officer  
FCA-508485  
H. No. 5, ASTHA ENCLAVE-2  
Sec. 127, MOHALI

**(RAJNEESH BANSAL)**  
Executive Director  
DIN-00077230  
H. No. 749,  
Sec 8, Chandigarh

**(SAT PAUL BANSAL)**  
Managing Director  
DIN-00077230  
H. No. 749  
Sec 8, Chandigarh

### AUDITOR'S CERTIFICATE

We have examined the Cash flow Statement of Paul Merchants Limited for the year ended 31st March 2020. The Statement has been prepared by the Company in accordance with the requirements of Regulation 34(2c) of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 and is based on and in agreement with the corresponding Statement of Profit and Loss account and Balance Sheet of the Company covered by our report to the members of the Company

Place: Chandigarh  
Dated : 25.06.2020

For Jain & Associates  
CHARTERED ACCOUNTANTS  
(FRN - 01361N)

CA. NEERAJ JAIN  
Partner  
(M. No. 089477)

## **SIGNIFICANT ACCOUNTING POLICIES**

### **A. Basis of Preparation of Financial Statements**

These financial statements are prepared in accordance with Indian Accounting Standard (IndAS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **B. Basis of measurement**

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets which have been measured at fair value.

### **D. Basis of Consolidation**

The investment in Malaysian Joint Venture is accounted for using Equity Method. Investment in subsidiary companies (PML Realtors Private Limited and Paul Merchants Finance Private Limited) is accounted for using pooling of interest method as the same are subject to common control before and after such investments in accordance with IND AS. The financial statements of the Subsidiary companies are consolidated on a line-by-line basis and intra-group balances and transactions are eliminated upon consolidation.

### **C. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

### **E. Property, Plant and Equipment (PPE)**

The items of Property Plant & equipment are measured at Cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation (if any), less accumulated depreciation and impairment loss, if any. All costs, including financing costs, attributable to the fixed assets are capitalized. The Company had opted to measure all its property, plant and equipment and intangible assets at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition.

### **F. Depreciation**

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) in the manner prescribed in Schedule II to the Companies Act, 2013 over their remaining useful life on pro-rata basis.

### **G. Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.



## **H Foreign Currency Transactions**

- 1 Purchases and sales of foreign currencies and traveller's cheques are accounted at the contracted rates. Other transactions in foreign currencies are initially recognised at the rate at which the transaction is entered into. On settlement of such transactions the profit/loss arising from exchange differences is recognised in the Statement of profit and loss.
- 2 All other Foreign Currency transactions have also been recorded at exchange rate prevailing on the date of the transaction.
- 3 Foreign Currency Fixed Deposits, Balances in Foreign Currency Bank Accounts and other Foreign Currency receivables or payables are valued at year end rates and gains/losses due to exchange rate differences have been adjusted in Profit & Loss Account

## **I Investments**

Company has opted to measure its investments in subsidiaries, joint ventures and associates at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. The Company accounts for all its investments at Fair value through profit or loss except for Investments in Subsidiary, Joint Venture and Associates.

## **J Inventories**

Stock of Foreign Currency/TC and Stock of Shares held for trading purposes has been valued at cost.

## **K Cash and cash equivalents**

Cash and cash equivalents Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value in accordance with IND AS 7. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

## **L Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of Foreign Exchange and Services. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

## **M Employee Benefits**

The entity makes contributions to statutory provident funds in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948. Provident Fund and ESI are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the fund.

Gratuity Liability as on 31st March 2020 has been provided for on basis of actuarial valuation basis Projected unit credit method in accordance with IND AS-19.

Leave encashment which are short term compensated absences are charged to profit and loss account of the year in which it is due.

## **N Borrowing Costs**

As per IND AS 23 Borrowing costs that are attributable to the acquisition or construction of qualifying assets (if any) are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

## **O Forex Hedging Transactions**

In respect of Forex hedging transactions, gains / losses on settlement and losses on restatement are recognized in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

**P Provision for Current and Deferred Tax**

## Current income tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

**Q Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**R Classification of Current / Non Current Assets**

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to The Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has assumed its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities

**S Leases**

The Company has complied with IND AS 116 "Leases" applicable from 1 April 2019, and considered all material lease contracts existing on April 1, 2019. The Company has accounted for its short term leases and low value assets in accordance with para 6 of the IND AS.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAR 2020**

**Note 1: PROPERTY, PLANT AND EQUIPMENT**

PARTICULARS	Gross Block (Amount in Rupees)				Accumulated Depreciation (Amount in Rupees)				Net Block (Amount in Rupees)	
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31st Mar 2020	Balance as at 1 April 2019	Depreciation charge for the year	On disposals	Balance as at 31st Mar 2020	Balance as at 31st March 2019	Balance as at 31st Mar 2020
Land	44,10,41,457	-	6,56,54,940	37,53,86,517	-	-	-	-	44,10,41,457	37,53,86,517
Buildings	30,82,36,181	1,10,83,275	5,70,43,475	26,22,75,981	5,82,12,172	1,06,29,329	1,07,81,299	5,80,60,202	25,00,24,009	20,42,15,779
Computers & Desktop	3,62,47,664	45,66,607	5,48,456	4,02,65,815	3,27,89,080	27,21,637	5,18,103	3,49,92,614	34,58,583	52,73,200
Servers & Networks	78,49,063	2,58,990	-	81,08,053	66,29,975	4,95,459	-	71,25,434	12,19,088	9,82,619
Furniture and Fittings	4,24,28,225	17,02,026	15,27,381	4,26,02,870	2,79,53,989	38,26,365	14,25,831	3,03,54,523	1,44,74,235	1,22,48,347
Motor Cars	6,87,39,329	54,60,565	98,22,844	6,43,77,050	3,75,64,676	97,66,434	81,30,040	3,92,01,070	3,11,74,653	2,51,75,980
Motor Cycles	1,47,417	-	12,000	1,35,417	81,698	16,679	11,400	86,977	65,720	48,441
Office Equipments	1,32,37,654	13,65,915	3,79,864	1,42,23,705	1,07,03,475	13,29,736	3,52,098	1,16,81,113	25,34,179	25,42,592
Electrical Installations & Equipment	1,72,22,346	11,40,343	7,16,880	1,76,45,809	1,29,83,609	12,34,603	6,26,482	1,35,91,730	42,38,737	40,54,079
Plant & Machinery	1,02,70,159	34,57,568	-	1,37,27,726	29,51,939	16,49,073	-	46,01,012	73,18,220	91,26,714
Leasehold Improvements	37,29,942	-	-	37,29,942	24,89,601	5,92,812	-	30,82,413	12,40,341	6,47,530
<b>Total Current Year</b>	<b>94,91,49,436</b>	<b>2,90,35,288</b>	<b>13,57,05,840</b>	<b>84,24,78,884</b>	<b>19,23,60,214</b>	<b>3,22,62,126</b>	<b>2,18,45,253</b>	<b>20,27,77,087</b>	<b>75,67,89,221</b>	<b>63,97,01,797</b>
<b>Total Previous Year</b>	<b>92,46,65,849</b>	<b>9,48,79,850</b>	<b>7,03,96,264</b>	<b>94,91,49,436</b>	<b>16,73,12,133</b>	<b>3,49,48,370</b>	<b>99,00,288</b>	<b>19,23,60,214</b>	<b>75,73,53,717</b>	<b>75,67,89,221</b>

\* Land & Building includes Building at SCO 827-828, Sector-22A, Chandigarh pledged with ICICI Bank Ltd for Over Draft limit taken by Wholly owned subsidiary - Paul Merchants Finance Private Limited.

**Note 2: FINANCIAL ASSETS - NON CURRENT INVESTMENTS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Investments (unquoted, fully paid up, at cost)		
19.42% JV Investment (Previous Year 19.42%) in Horizon Remit SDN BHD, Malaysia	43,15,685	72,98,569
<b>Total</b>	<b>43,15,685</b>	<b>72,98,569</b>

**Note 3: DEFFERED TAX ASSETS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Opening Balances	3,57,06,388	65,01,368
Add/Less: Deferred Tax Assets created/(written back) during the year	(1,13,05,420)	2,92,05,021
<b>Total</b>	<b>2,44,00,968</b>	<b>3,57,06,389</b>

**Note 4: OTHER NON CURRENT ASSETS**

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Advance against Properties	70,88,408	18,38,19,458
<b>Total</b>	<b>70,88,408</b>	<b>18,38,19,458</b>

**Note 5: INVENTORIES**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Stock of Foreign Currency at Cost	6,94,48,944	4,66,25,220
Stock Of Shares at Cost	65,160	65,160
PML Realtor's Stock	1,07,01,200	-
<b>Total</b>	<b>8,02,15,304</b>	<b>4,66,90,380</b>

Note 6: FINANCIAL ASSETS -CURRENT INVESTMENTS

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
<b>Investments measured at Fair Value Through Profit &amp; Loss</b>		
<b>Investment in Mutual Funds Quoted at FVTPL</b>		
Aditya Birla Sun Life Corporate Bond Fund	29,519	1,25,695
Aditya Birla Sunlife Pure Value Fund	8,15,491	12,04,602
ASK Equity PMS	-	25,06,459
Axis Focused 25 Fund Direct Plan Growth	8,12,264	3,81,502
Axis Liquid Fund	1,08,433	2,20,88,300
HDFC Liquid Fund Direct Plan Growth	2,18,207	6,32,972
HDFC Capital Builder Fund- Growth	9,05,502	13,98,295
HDFC MID-CAP Opportunities Fund - Growth	1,32,229	1,90,968
HDFC Small Cap Fund Direct Plan Growth	5,88,248	4,15,235
HDFC Equity Savings Fund Direct Plan Growth Folio	4,20,528	
L&T India Value Fund-Regular Plan -Growth	4,39,893	4,75,171
L&T Liquid Fund Direct Plan Growth	-	6,93,224
L&T Liquid Fund	4,39,898	5,59,912
L&T India Value Fund Direct Plan Growth	2,42,156	3,50,022
IDFC Fixed Term Plan Series 149 Direct Plan	3,45,24,600	3,23,34,300
IDFC Sterling Equity Fund Regular Plan Growth	5,44,470	9,46,779
Kotak Liquid Fund	1,06,871	6,32,846
Kotak Equity Arbitrage fund Direct fortnightly Dividend Plan	-	7,70,97,663
Kotak Standard Multicap Fund Direct Plan Growth	7,40,425	4,18,377
Mirae Asset Cash Management Fund	1,07,002	6,12,853
Mirae Asset India Equity Fund Direct Plan	7,37,142	4,35,596
UTI Arbitrage Fund Direct Plan Dividend Reinvestment	-	5,06,76,711
Kotak Mutual Fund	-	3,14,52,699
ICICI Prudential Equity Arb Fund	-	3,19,61,925
SBI Arbitrage Fund Folio 21714227	-	1,01,43,489
HDFC Liquid Fund Direct Plan Growth	-	4,35,903
Ask Domestic Resurgence Portfolio- Equity Funds	21,31,456	-
ASK IEP PMS	21,11,143	-
<b>Investments in Tax Free Bonds -Quoted at FVTPL- Pledged *</b>		
7.03 % Housing and Urban Development Corporation Limited	1,24,14,435	1,22,84,640
8.56 % Housing and Urban Development Corporation Limited	2,58,62,227	2,52,29,134
8.48% India Infrastructure Finance Company Limited	6,12,28,318	5,97,39,203
8.54% Power Finance Corporation Limited	6,08,41,167	5,92,40,500
Rural Electrification Corporation Limited	2,32,92,342	2,26,99,208
7.22% Rural Electrification Corporation Limited	1,37,73,752	1,36,63,520
7.55% Indian Railway Finance corporation	2,11,22,978	2,12,39,096
8.20% NHAI 2022	2,16,36,519	2,17,35,600
8.20% Power Finance Corporation Ltd	1,50,91,658	1,51,61,426
7.62% HUDCO 11 Nov 21	2,10,93,559	2,11,22,023
6.70% IRFC 8 March 2020	-	53,22,211
8.23% IRFC 18 Feb 24	57,91,680	57,58,911

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>Investments in Listed Non convertible Debentures -Quoted at FVTPL</b>		
IIFL Wealth Finance Limited -8.25 MLD	-	6,85,43,400
Kotak Mahindra Prime Limited 8.70% MLD	4,60,52,000	4,25,80,000
Aditya Birla Finance Limited MLD NCD	3,35,31,000	3,06,72,000
HDB Financial Services Limited MLD	3,30,66,000	3,03,21,000
IIFL Wealth Finance Limited -9.25 MLD	-	1,09,94,100
Muthoot Finance Limited 9.5% MLD	10,03,210	10,50,000
Tata Capital Financial Services Ltd MLD	2,21,44,000	2,02,40,000
Tata Capital Financial Services Ltd MLD ASK	3,30,21,000	3,02,49,000
<b>Investments in Bonds and debentures -Unquoted at FVTPL</b>		
Rural Electrification Corporation Limited -Capital Gain Bonds	51,96,875	52,02,089
<b>Investments in Preference Shares- Quoted at FVTPL</b>		
6% Zee Entertainment Enterprises Limited	89,04,384	1,66,91,640
<b>Investments in Structured Entity - Unquoted at FVTPL</b>		
Aventus Enhanced Return Fund Class A1 Folio No. 32	1,57,00,931	5,40,65,873
Aventus Absolute Return Fund	-	5,28,60,881
Estee Advisors Private Limited -PMS	-	5,40,06,875
India Real Estate Fund	1,95,14,800	1,10,00,000
<b>Investments in Partnership Firm - Unquoted at FVTPL</b>		
Investment in Paul Singla and Realtors Private Limited	2,93,575	1,25,200
Total (A)	54,67,31,887	97,99,69,029
<b>Total</b>	<b>54,67,31,887</b>	<b>97,99,69,029</b>

\* Tax free bonds Valued at Rs 2821 lacs as on 31 March 2020 (valued at Rs. 2832 Lacs as on 31st March 2019) pledged with Kotak Mahindra Bank Limited for Over Draft limits taken by Paul Merchants Finance Private limited (Wholly owned Subsidiary of the company)

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Aggregate Value of Quoted Investments	50,60,25,707	80,27,08,111
Aggregate Value of Unquoted Investments	4,07,06,181	17,72,60,918
<b>Total</b>	<b>54,67,31,887</b>	<b>97,99,69,029</b>

**Note 7: FINANCIAL ASSETS- TRADE RECEIVABLES**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>A. Trade receivables</b>		
1. Unsecured, considered good	4,42,53,643	3,70,93,383
<b>Total</b>	<b>4,42,53,643</b>	<b>3,70,93,383</b>

**Note 8: FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>Cash and cash equivalents</b>		
i) Cash in hand	2,34,94,045	3,37,22,891
ii) In Current Accounts	13,48,23,364	8,48,25,312
	<b>15,83,17,409</b>	<b>11,85,48,203</b>

**Note 9: FINANCIAL ASSETS - BALANCE WITH BANKS OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>Other Balances with Banks</b>		
i) In Term Deposit Accounts with > 3 month and <12 months maturity	42,49,323	52,41,345
ii) In earmarked Term Deposit Accounts		
a. Margin money	54,04,254	50,71,624
b. Guarantees & Other Commitments	3,61,613	3,38,909
iii) In Unclaimed dividend accounts	21,732	-
	<b>1,00,36,922</b>	<b>1,06,51,879</b>

**Note 10: FINANCIAL ASSETS - SHORT TERM LOANS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>Loans and advances</b>		
Secured, Considered Good- Gold Loan	2,66,35,33,913	1,53,34,19,358
Unsecured, Considered Good	22,16,39,349	23,41,36,594
	<b>2,88,51,73,262</b>	<b>1,76,75,55,952</b>

**Note 11: FINANCIAL ASSETS - SHORT TERM ADVANCES**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>Others</b>		
<b>Unsecured, Considered Good</b>		
1. Advances to Other Parties (Net)	1,39,87,088	1,48,66,228
2. Security Deposits	1,59,92,181	76,45,867
3. Staff Imprest	5,12,057	4,55,843
4. Claims Recoverable	5,67,011	8,85,386
	<b>3,10,58,337</b>	<b>2,38,53,324</b>

**Note 12: Current tax Assets**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Balances with government authorities		
a. GST Input Credit	28,30,188	20,02,982
b. Advance Tax	5,05,00,000	6,20,00,000
c. Tax Deducted at Source	6,41,68,255	1,71,67,925
<b>Total</b>	<b>11,74,98,443</b>	<b>8,11,70,907</b>

**Note 13: OTHER CURRENT ASSETS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Prepaid expenses	57,75,533	49,33,973
<b>Total</b>	<b>57,75,533</b>	<b>49,33,973</b>

Note 15: OTHER EQUITY

Amount ( In Rs.)

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>A. Securities Premium Account</b>		
Opening Balance	75,95,07,882	38,57,99,600
Add : Securities premium credited on Share issue	-	37,37,08,282
<b>Total</b>	<b>75,95,07,882</b>	<b>75,95,07,882</b>
Less : Non Controlling Interest	-	-
<b>Closing Balance</b>	<b>75,95,07,882</b>	<b>75,95,07,882</b>
<b>B. Statutory Reserve</b>		
Opening Balance	1,58,90,406	27,28,847
(+) Current Year Transfer	3,01,38,255	1,31,61,559
<b>Total</b>	<b>4,60,28,661</b>	<b>1,58,90,406</b>
Less : Non Controlling Interest	-	-
	<b>4,60,28,661</b>	<b>1,58,90,406</b>
<b>B. Reserve and Surplus</b>		
Opening Balance	2,88,83,49,831	3,61,90,76,592
(+) Profit for Current Year	26,37,41,406	22,07,95,442
Other Comprehensive Income (net of tax)	(22,92,073)	51,490
(-) Dividends (including dividend distribution tax)	(31,06,670)	-
Less: Transferred to Statutory Reserves	(3,01,38,255)	-1,31,61,559
Less: Loss/change in reserve on acquisition of NCI	-	-52,17,56,290
	<b>3,11,65,54,239</b>	<b>3,30,50,05,675</b>
Less : Non Controlling Interest	-	-
	<b>3,11,65,54,239</b>	<b>3,30,50,05,675</b>
Less: Goodwill adjusted with reserves	-	-41,66,55,844
<b>Closing Balance</b>	<b>3,11,65,54,239</b>	<b>2,88,83,49,831</b>
<b>Total Other Equity</b>	<b>3,92,20,90,782</b>	<b>3,66,37,48,120</b>

Note 16: LONG TERM PROVISIONS

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
<b>Provision for employee benefits</b>		
Gratuity - Unfunded	1,92,28,295	1,63,93,929
<b>Total</b>	<b>1,92,28,295</b>	<b>1,63,93,929</b>



**CURRENT FINANCIAL LIABILITIES****Note 17: CURRENT FINANCIAL LIABILITIES - BORROWINGS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
<b>A. SECURED</b>		
<b>Loans repayable on demand- From Banks</b>		
(i) Cash Credit Facility (CC) -HDFC Bank Limited (Secured by Inventory and Debtors (future & current) and Hypothecation of one Property )	72,03,513	-
(ii) Over Draft Facility (OD) (Secured by Pledged securities and Property of Parent company. Pls refer to note 6)	29,90,78,224	15,90,39,040
<b>Current maturities of long-term debt</b>		
a. Loans from ICICI Bank Ltd (Secured by Hypothecation of Property)	3,85,009	-
b. Car Loans from Kotak Mahindra Prime Limited (Secured by Hypothecation of Cars)	-	13,01,535
<b>B. UNSECURED</b>		
(i) Loans and advances from related parties	2,38,76,199	81,00,000
<b>Total</b>	<b>33,05,42,946</b>	<b>16,84,40,575</b>

**Note 18: FINANCIAL LIABILITIES - TRADE PAYABLES**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
Sundry Creditors	7,24,57,300	4,06,19,018
<b>Total</b>	<b>7,24,57,300</b>	<b>4,06,19,018</b>

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Disclosure under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	NIL	NIL
(ii) the amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act	NIL	NIL
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	NIL	NIL

**Note 19: OTHER CURRENT LIABILITIES**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
(a) Expenses Payable	2,46,82,692	2,44,84,019
(b) Interest accrued and due on borrowings	-	1,50,932
(c) Unclaimed dividends	21,732	-
(d) Advance From Customer	7,10,29,776	4,84,41,853
<b>(e) Other payables</b>		
(i) PF Payable	11,07,417	9,97,865
(ii) ESI Payable	1,10,272	1,79,870
(iii) TDS Payable	31,88,363	63,16,266
(iv) GST Payable	36,24,202	41,44,934
(iv) Kerala Cess Payable	7,580	
<b>Total</b>	<b>10,37,72,034</b>	<b>8,47,15,739</b>

**Note 20: SHORT TERMS PROVISIONS**

Particulars	As at 31st Mar 2020 Amount ( In Rs.)	As at 31st Mar 2019 Amount ( In Rs.)
(a) Provision for employee benefits	60,00,491	99,94,088
<b>(b) Others</b>		
Provision for Taxes	8,08,87,984	5,43,12,508
Provision for NPA	32,35,773	17,20,296
Contingent Provision Against Standard Assets	60,71,992	38,56,394
<b>Total</b>	<b>9,61,96,240</b>	<b>6,98,83,287</b>

Note 21: REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
<b>Sale of Services</b>		
Foreign Exchange	53,41,38,38,713	48,46,18,48,299
FX Service Charges	2,29,24,769	2,20,29,355
Sales of Air Tickets*	-	37,56,04,955
Sales of Hotel Bookings & Packages*	2,02,31,568	4,02,60,407
Revenue from Air Ticketing *	1,63,22,802	-
Revenue from Hotel Bookings & Packages *	33,21,122	-
Revenue from Visa ,Bus Bookings, Railway	13,83,585	-
Interest Income -Paul Merchants Finance Pvt Limited	42,29,53,668	17,43,57,778
Income from Domestic Money Transfer Service	1,21,15,885	54,78,053
<b>Total - Sale of Services</b>	<b>53,91,30,92,112</b>	<b>49,07,95,78,847</b>
<b>Other Operating Revenues</b>		
Rewards & Incentives	66,07,249	4,21,32,540
Credit Card Encashment	51,77,155	55,19,600
Other Service charges #	8,63,58,030	4,22,12,056
<b>Total - Other Operating Revenues</b>	<b>9,81,42,433</b>	<b>8,98,64,196</b>
<b>Total Revenue From Operations</b>	<b>54,01,12,34,546</b>	<b>49,16,94,43,043</b>

\* During the current year, the company has recognized and presented Net revenue from sale of Air tickets , Hotel and Tour packages, where company acts a agent whereas the same is shown on gross basis in previous year. Gross amount of the booking of Air tickets, Hotels and Packages etc. done on behalf of customers during the year ended 31st March 2020 was Rs. 3639.20 Lacs.

# During the current Year, Other service charges includes, AD-1 referral Commission Income of Rs. 780.92 Lacs which is presented on Gross basis in current year whereas in previous year the same is presented on Net basis at Rs 277.09 Lacs. The corresponding Commission Income on Gross basis for previous year ending 31st March 2019 was Rs 534.99 Lacs.

**Note 22: OTHER INCOME**

Particulars	For the Year ended 31st Mar 2020 Amount ( In Rs.)	For the Year ended 31st Mar 2019 Amount ( In Rs.)
<b>A. Interest Income</b>		
1. Interest on Bank Deposits	7,08,849	2,23,07,235
2. Other Interest	2,49,74,089	2,19,03,044
3. Interest on Income Tax Refund	-	5,012
<b>B. Dividend Income</b>	43,80,682	1,01,34,523
<b>C. Net Gain on Sale/Fair Valuation of investments</b>	90,88,656	5,56,44,301
1. Realized Gain on Sale of investments	1,16,05,852	4,98,87,748
2. Net Unrealized gain/ (loss) on financial instruments at fair value through profit or loss	(25,17,196)	57,56,553
<b>D. Other non-operating income</b>	1,03,89,018	1,94,80,925
1. Rental Income	66,49,019	96,69,252
2. Profit on sale of Fixed Assets	15,21,726	42,37,348
3. Franchisee Fees	19,491	19,492
4. Miscellaneous Income	21,98,782	55,54,833
<b>Total</b>	<b>4,95,41,295</b>	<b>12,94,75,040</b>

**Note 23: Purchase**

Particulars	For the Year ended 31st Mar 2020 Amount ( In Rs.)	For the Year ended 31st Mar 2019 Amount ( In Rs.)
Foreign Exchange	52,69,78,32,874	47,88,50,39,205
Air Tickets	-	35,59,15,041
Hotel Bookings & Packages	1,75,76,300	3,43,14,991
Land at Mehrauli pertaining to PML Realtors	1,07,01,200	-
<b>Total</b>	<b>52,72,61,10,374</b>	<b>48,27,52,69,237</b>

**Note 24: Changes in Inventories of Stock in Trade**

Particulars	For the Year ended 31st Mar 2020 Amount ( In Rs.)	For the Year ended 31st Mar 2019 Amount ( In Rs.)
Closing Stock	8,01,50,144	4,66,25,220
Opening Stock	4,66,25,220	4,88,27,307
<b>NET DECREASE/(INCREASE)</b>	<b>(3,35,24,924)</b>	<b>22,02,087</b>

**Note 25: DIRECT EXPENSES**

Particulars	For the Year ended 31st Mar 2020 Amount ( In Rs.)	For the Year ended 31st Mar 2019 Amount ( In Rs.)
COMMISSION AND INCENTIVES	52,67,59,252	32,29,79,385
<b>Total</b>	<b>52,67,59,252</b>	<b>32,29,79,385</b>

During the current Year, Commission includes Rs. 416.14 Lacs towards AD -1 referral commission expense . The corresponding commission expense for AD-1 referral for previous year was Rs. 257.90 Lacs which was reduced from AD-1 referral Income and shown on Net Basis. Pls refer to Note 21 above.

**Note 26: OFFICE & ADMINISTRATIVE EXPENSES**

Particulars	For the Year ended 31st Mar 2020 Amount ( In Rs.)	For the Year ended 31st Mar 2019 Amount ( In Rs.)
Bad Debts and Balances Written Off	1,77,444	1,00,996
Brokerage	9,50,012	2,12,442
Communication Expenses	39,04,034	43,77,768
Computer Expenses	79,05,966	89,44,471
Conference Expenses	5,70,776	15,43,773
Conveyance Expenses	92,83,009	46,77,972
Generator Running Expenses	1,23,894	1,42,778
Insurance	48,84,346	29,59,361
Legal, Professional & Outsourcing	66,63,861	81,32,977
Loss on fixed assets sold/scrapped/written off	-	2,08,771
Payments to Auditors-		
- Statutory Audit Fees	2,32,700	2,17,700
- Tax Audit Fees	50,000	65,000
Postage & Telegram	22,80,148	12,88,760
Power and Water Expenses	60,77,116	73,41,628
Printing and stationery	46,30,664	31,90,127
Rates and taxes	21,34,142	34,98,673
Rent	3,52,80,195	4,08,61,542
Repairs and maintenance	2,06,50,401	1,79,01,681
Office maintenance	8,98,829	12,81,019
Security Services	1,42,74,787	91,74,013
Travelling Expenses	78,61,327	1,09,65,385
Vehicle Running & Maintenances	26,32,622	24,72,233
Portfolio Management Services	1,07,066	8,28,835
Preliminary Expense	1,76,756	1,76,756
Contingent Provision on Standard Assets	22,15,597	28,78,533
Provision on NPA	15,15,477	9,24,208
Office Expenses	1,40,526	1,65,698
<b>Total</b>	<b>13,56,21,695</b>	<b>13,45,33,099</b>

**Note 27: EMPLOYEE BENEFIT EXPENSES**

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
Salaries & Allowances	23,07,84,519	22,09,48,214
Bonus	22,79,236	54,46,469
Leave Encashment	4,51,686	33,38,070
<b>Contributions to:</b>		
(i) Provident Fund	99,87,999	84,12,382
(ii) ESI	18,33,559	23,59,523
(iii) NPS	3,94,374	1,37,529
Gratuity	41,52,475	37,21,738
Staff Recruitment Expenses	89,118	1,90,728
Staff welfare expenses	70,33,334	91,45,476
<b>Total</b>	<b>25,70,06,299</b>	<b>25,37,00,128</b>

**Note 28: FINANCE COSTS**

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
<b>Interest Expenses:</b>		
Interest on Demand Loans	1,45,55,690	66,03,929
Interest on Term Loans	31,05,612	-
Interest on Car Loans	43,400	2,34,430
<b>Other Finance Expenses:</b>		
Bank Charges	60,48,948	42,95,322
Credit Card Charges	8,45,878	7,20,858
<b>Total</b>	<b>2,45,99,528</b>	<b>1,18,54,540</b>

**Note 29: SALES PROMOTION EXPENSES**

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
Advertisement & Publicity	65,71,699	57,46,294
Business Promotion	52,29,707	1,09,00,263
<b>Total</b>	<b>1,18,01,407</b>	<b>1,66,46,557</b>

**Note 30: CSR- CORPORATE SOCIAL RESPONSIBILITY**

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
Gross Amount Required to be spent during the Year	53,44,262	58,40,449
A) Amount Spent During the year	Amount Paid	Amount Paid
Animal Welfare	1,39,200	67,200
Promoting Healthcare	22,03,933	12,78,503
Eradicating hunger	15,74,228	9,82,847
Employment enhancing Vocation skills	77,425	57,000
Promoting education	4,71,600	6,98,000
Food and Sanitation	-	40,227
Old Age Home	10,00,000	25,00,000
Administrative overheads(Prop Salary of one employee dedicated for CSR activities)	1,41,941	2,50,000
B) AMOUNT YET TO BE PAID	NIL	NIL
<b>Total</b>	<b>56,08,327</b>	<b>58,73,777</b>

**Note 31: OTHER EXPENSES**

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
Donations	1,77,594	66,573
Fees & Subscriptions	8,01,949	12,31,797
<b>Total</b>	<b>9,79,543</b>	<b>12,98,370</b>

**Note 32: EXCEPTIONAL LOSS ON SALE OF PROPERTY**

Particulars	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
	Amount ( In Rs.)	Amount ( In Rs.)
Loss on Sale of Property	1,29,17,116	-

During the year ended March 2020, the company had sold its three properties at Delhi, Chandigarh and Mohali and incurred Net loss on such sale amounting to Rs. 129.17 Lacs. The same is reported as Exceptional Item in the Statement of Profit and Loss.

Note 14: EQUITY SHARE CAPITAL

A. Authorised, Issued, Subscribed & Paid up Share Capital and Par Value per Share

Particulars	As at 31st Mar 2020		As at 31st Mar 2019	
	Number	Amount ( In Rs.)	Number	Amount ( In Rs.)
<b>Authorised</b>				
Equity Shares of Rs. 10 each	20,00,000	2,00,00,000	20,00,000	2,00,00,000
<b>Issued, Subscribed &amp; fully Paid up</b>				
Equity Shares of Rs. 10 each fully paid	10,28,000	1,02,80,000	10,28,000	1,02,80,000
<b>Total</b>	<b>10,28,000</b>	<b>1,02,80,000</b>	<b>10,28,000</b>	<b>1,02,80,000</b>

B. Reconciliation of Number of Shares Outstanding at the beginning and end of the year

Particulars	Equity Shares			
	As at 31st Mar 2020		As at 31st Mar 2019	
	Number	Amount ( In Rs.)	Number	Amount ( In Rs.)
Shares outstanding at the beginning of the year	10,28,000	1,02,80,000	10,28,000	1,02,80,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>10,28,000</b>	<b>1,02,80,000</b>	<b>10,28,000</b>	<b>1,02,80,000</b>

C. Rights, Preferences and Restrictions attaching to various classes of Shares

Class of Shares	Rights, Preferences and Restrictions attaching to various classes of Shares
Equity Shares	No Special Rights, Preferences & Restrictions Attached

D. Shares in the company held by each shareholder holding more than 5% shares

Name of Shareholder (Mr./Mrs.)	Equity Shares			
	As at 31st Mar 2020		As at 31st Mar 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sat Paul Bansal	-	-	2,01,100	19.56
Sarita Rani Bansal	3,45,600	33.62	1,44,500	14.06
Rajneesh Bansal	1,49,746	14.57	1,49,746	14.57
Sandeep Bansal	1,44,507	14.06	1,44,507	14.06
Paul Excursions Pvt. Ltd.	1,02,355	9.96	1,02,355	9.96



**Note 33. MANAGERIAL REMUNERATION**

During the year the company incurred an expense towards managerial remuneration as detailed below:

Name of Director	Designation	For the Year ended 31st Mar 2020 Rs. In Lacs	For the Year ended 31st Mar 2019 Rs. In Lacs
Mr. Sat Paul Bansal	Chairman cum Managing Director	408.00	504.00
Mr. Rajneesh Bansal	Executive Director	95.43	70.86
Mr. Dharam Pal Sharma	Whole Time Director	8.78	8.45
<b>Total</b>		<b>512.21</b>	<b>583.31</b>

**Note 34. CONTINGENT LIABILITY NOT PROVIDED FOR**

Particulars	As at 31st March 2020 Rs. In Lacs	As at 31 March 2019 Rs. In Lacs
Claims against company not acknowledged as Debt	143.38	145.64
Outstanding Bank Guarantees	23.62	110.36
Service Tax Demand Notice pending Departmental Appeal with High Court (excl. Interest)	335.42	335.42
Corporate Guarantee in Respect of JV in Malaysia	1,506.40	1,386.44
Corporate Guarantee in Respect of OD Limits taken by Paul Merchants Finance Private Limited Company from Kotak Mahindra Bank Limited and ICICI Bank Limited	4,000.00	4,000.00
<b>Total</b>	<b>6,008.82</b>	<b>5,977.86</b>

**Note 35. Joint Venture Details**

The company has a Joint Venture (JV) with Weizmann Forex Ltd. having 19.424% (Previous Year 19.424%) stake in a Company in Malaysia. The stake was acquired by direct acquisition of shares of M/s Horizon Remit SDN BHD (formally M/s Prabhu Remit SDN BHD). The Other Details pursuant to Financial Reporting of Interests in Joint Ventures are as follows:

Particulars	(Rs. In Lacs)	
	As at 31st March 2020	As at 31 March 2019
Interest in JV (%)	19.42%	19.42%
Value of Capitalized Investment in JV	304.72	304.72
Proportional Interest in		
- Assets	53.26	188.64
- Liabilities	44.71	151.33
Share of Income/(loss) from JV	-29.83	9.01
Expenditure Incurred	-	-

**Note 36. Earnings per Share**

Particulars	As at 31st March 2020 Amount ( In Rs.)	As at 31 March 2019 Amount ( In Rs.)
<b>Earnings per Share- Continuing Operations</b>		
Net Profit for the Year (Rs. )	26,37,41,406	22,07,95,442
Number of Equity Shares (Nos. )	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share )	256.56	214.78
<b>Earnings per Share - Discontinued Operations</b>		
Net Profit for the Year (Rs. )	-	-
Number of Equity Shares (Nos. )	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share )	-	-
<b>Earnings per Share - Continuing and Discontinued Operations</b>		
Net Profit for the Year (Rs. )	26,37,41,406	22,07,95,442
Number of Equity Shares (Nos. )	10,28,000	10,28,000
Basic & Diluted EPS (Rs per Share )	256.56	214.78

**Note 37. Related Party Disclosures**(Disclosure as per *Ind AS 24* )**A. List of Related Parties**

Name of Related Party	Relationship
Sat Paul Bansal	Chairman cum Managing Director
Rajneesh Bansal	Executive Director
Dharam Pal Sharma	Whole Time Director & Designated Director
Sarita Rani Bansal	Non-Executive Director
Sandeep Bansal	Non-Executive Director
Bhupinder Kaur	Key Management Personnel- CFO
Hardam Singh	Key Management Personnel- CS
Paul Merchants Finance Private Limited	Wholly Owned Subsidiary
PML Realtors Pvt Ltd	Wholly Owned Subsidiary
Horizon Remit SDN BHD, Malaysia	Joint Venture Company
Paul and Singla Realtors LLP	LLP in which PML Realtors Pvt Ltd wholly owned subsidiary is designated Partner
Paul Spaces LLP	LLP in which three Directors of the company are also Partners till 16.05.2019
Paul E Commerce Pvt Ltd	Private company in which Two directors also Directors and shareholders and relative of director is also Director and Shareholder
Paul Energy Projects Pvt Ltd	Private company in which Three directors also Directors and shareholders.
Paul Excursions Pvt. Ltd	Private company in which Two directors are also Directors and shareholders.
Paul Overseas Pvt Ltd	Private Company in which Two Directors are also Directors and One Director is also Shareholder.
Paul Fast Remit Pvt Ltd	Private company in which Two directors are Directors and Two Directors are shareholders.
Talk More Communications Pvt. Ltd	Private Company in which One Director is Director and Shareholder
PML Holidays Pvt Ltd	Private company in which Two directors are also Directors and shareholders.
EBIX Money Express Private Limited	Private Company in which One Director was a Director during the year ended Mar 2019
Paul Distributors	Sole Proprietorship Firm of Director

**B. Related Party Transactions in Ordinary Course of Business for the Year ended 31st March 2020****(Rs. In Lacs)**

Nature of Transaction	Directors	Key Management Personnel	Wholly Owned Subsidiary	Related Party	Total
Managerial Remuneration - Whole Time Directors	512.21	-	-	-	512.21
Remuneration - KMPs	-	45.69	-	-	45.69
Rent Paid for Premises	22.85	-	1.08	7.81	31.74
Rent Received	-	-	20.21	7.94	28.15
Net Service Charges Earned - Indo Nepal & DMT from Paul Merchants Finance Private Limited	-	-	17.67	-	17.67
Net additional working capital limit issued to Paul Merchants Finance Private Limited during the year	-	-	6,681.50	-	6,681.50
Interest earned from Paul Merchants Finance Private Limited on Working Capital limit	-	-	804.35	-	804.35
Security Expense paid	-	-	6.48	-	6.48
Dividend Received	-	-	49.63	-	49.63
Commission for cross reference Sales	-	-	0.89	-	0.89
Sale of Goods/Services	-	-	24.63	13.65	38.28

There are no transactions with related parties, which are not in ordinary course of business or not at arm's length.

**C. Related Party Outstanding Balance as on 31st March 2020**

Nature of Transaction	Directors	Key Management Personnel	Subsidiary	Related Party	Total
Balance as on 31st March 2020					
Outstanding Unsecured Loan to Paul Merchants Finance Private Limited			10,171.50		

Pls refer to Note 1 ,2 & 34 for details on Securities/Assets pledged and Corporate Gaurantee given for Sanction of Limits in Paul Merchants Finance Pvt Limited from Kotak Mahindra Bank Limited and ICICI Bank Ltd

**D. Related Party Transactions in Ordinary Course of Business for the Year ended 31st March 2019**
**(Rs. In Lacs)**

Nature of Transaction	Directors	Key Management Personnel	Subsidiary	Related Party	Total
Managerial Remuneration	583.31	-	-	-	583.31
Salary paid		44.75	-	-	44.75
Rent Paid for Premises	20.07	-	8.09	-	28.15
Rent Received	-	-	25.29	50.33	75.61
Service Charges Earned (net)	-	-	10.29	-	10.29
Commission Received	-	-	-	134.74	134.74
Unsecured Loan to Paul Merchants Finance Private Limited		-	3,990.00	-	3,990.00
Repayment of Loan by Paul merchants Finance Private Limited		-	500.00	-	500.00
Interest earned on Loan	-	-	28.25	-	28.25
Sale of Shares held in Ebix Money Express Pvt Ltd		-	-	3,420.00	3,420.00
Investment in Paul Merchants Finance Private Limited	1,861.90	-	6,700.23	-	8,562.13
Investment in PML Realtors Pvt Ltd		-	1,530.00	-	1,530.00
Security Deposit received				3.83	3.83
Security Deposit adjusted against Rent				0.83	0.83

**E. Related Party Outstanding Balance as on 31st March 2019**

Outstanding Unsecured Loan to Paul merchants Finance Private Limited	-	-	3,511.72	-	3,511.72
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Pls refer to Note 2 & 34 for details on Securities/Assets pledged and Corporate Gaurantee given for Sanction of Limits in Paul Merchants Finance Pvt Limited from Kotak Mahindra Bank Limited and ICICI Bank Ltd.

**Note 39. Deferred Tax**
*(As per IND AS 12 Income taxes )*

Deferred Tax Assets on Account of Timing Differences	As at 01.04.2019	Arising During the Year	As at 31.03.2020
Depreciation	3,02,75,884	-1,32,08,330	1,70,67,554
Provision for Gratuity	53,30,188	-2,99,210	50,30,978
Provision for Bonus	21,02,384	-4,74,680	16,27,704
Provision for Leave encashment	-	38,366	38,366
Unrealized Gain on Investments	-	6,36,366	6,36,366
<b>Deferred Tax Liability</b>			
Unrealized Gain on Investments	(20,02,067)	20,02,067	-
<b>Net Deferred Tax Asset</b>	<b>3,57,06,389</b>	<b>-1,13,05,421</b>	<b>2,44,00,968</b>

**Note 39. Segment Reporting**

As per IND AS-108 on Segment Reporting, segment Information is provided below:

(Amount Rs in Lacs)

Sr. No	PARTICULARS	For the Year ended 31st Mar 2020	For the Year ended 31st Mar 2019
<b>1</b>	<b>Segment Revenue</b>		
(a)	Forex	5,35,223	4,85,221
(b)	Travel	456	4,240
(c)	Others	4,433	2,233
	<b>Total</b>	<b>5,40,112</b>	<b>4,91,694</b>
	<b>Less: Inter Segment Revenue</b>		
(a)	Forex	-	-
(b)	Travel	-	-
(c)	Others	-	-
	<b>Net sales/Income From Operations</b>	<b>5,40,112</b>	<b>4,91,694</b>
<b>2</b>	<b>Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#</b>		
(a)	Forex	1,076	866
(c)	Travel	105	141
(d)	Others	3,070	2,208
	<b>Total</b>	<b>4251</b>	<b>3214</b>
	Less:		
i)	Interest	246	119
ii)	Other Un-allocable Expenditure net off	894	1,994
iii)	Un-allocable income	495	1,295
	<b>Total Profit Before Tax</b>	<b>3,606</b>	<b>2,396</b>
	Segment - International Money Transfer (Discontinued)		260
	<b>Total Profit Before Tax (Continuing and Discontinued Operations)</b>	<b>3,606</b>	<b>2,656</b>
<b>3</b>	<b>Segment Assets</b>		
(a)	Segment - Forex	2,358	5,366
(b)	Segment - Travel	204	276
(c)	Segment - Others	27,044	17,444
(d)	Unallocated Assets	15,940	17,455
	<b>Total</b>	<b>45,546</b>	<b>40,541</b>
<b>4</b>	<b>Segment Liabilities</b>		
(a)	Segment - Forex	1,586	1,196
(b)	Segment - Travel	61	135
(c)	Segment - Others	-	-
(d)	Unallocated Liabilities	4,575	2,470
	<b>Total</b>	<b>6,222</b>	<b>3,801</b>
<b>5</b>	<b>Capital Employed</b>		
(a)	Forex	772	4,170
(b)	Travel	143	141
(c)	Others	27,044	17,444
(d)	Unallocated Assets	15,940	17,455
(e)	Unallocated Liabilities	4,575	2,470
	<b>Total</b>	<b>39,324</b>	<b>36,740</b>

Note 40. Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements

Name of the Company	Amount (Rs in Lacs)							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in comprehensive income		Share in Total comprehensive Income	
	as %age of consolidated net assets	Amount (Rs in Lacs)	as %age of consolidated profit or loss	Amount (Rs in Lacs)	as %age of consolidated other comprehensive income	Amount	as %age of consolidated total comprehensive income	Amount (Rs in Lacs)
<b>Paul Merchant Limited</b>	<b>69.70%</b>	<b>39,144.44</b>	<b>44.27%</b>	<b>1,189.53</b>	<b>79.47%</b>	<b>-18.21</b>	<b>43.97%</b>	<b>1,171.31</b>
<b>Subsidiary Companies:</b>		-		-				
Paul Fincap Private Limited	25.80%	14,490.68	56.26%	1,511.62	20.53%	-4.71	56.56%	1,506.91
PML Realtors Private Limited	4.50%	2,526.42	0.59%	15.72	-	-	0.59%	15.72
<b>Joint Venture (Investment as per Equity Method):</b>								
M/s Horizon Remit BHD. SDN. , Malaysia	-	-	-1.11%	-29.83	-	-	-1.12%	-29.83
<b>Sub Total</b>	<b>100.00%</b>	<b>56,161.54</b>	<b>100%</b>	<b>2,687.04</b>	<b>100%</b>	<b>-22.92</b>	<b>100%</b>	<b>2,664.12</b>
Adjustments arising out of consolidation		-16,837.84		-49.63				-49.63
<b>TOTAL</b>		<b>39,323.71</b>		<b>2,637.41</b>		<b>-22.92</b>		<b>2,614.49</b>

**Note 41. Other Notes**

- a Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.
- b Additional information pursuant to Schedule III part I & II of the Companies Act. 2013 other than stated above is either NIL or Not Applicable.
- c The previous Year figures have been regrouped/re-classified/re-stated wherever necessary to conform with the current presentation.
- d Notes 1-41 form integral part of Accounts for the year ending 31st March 2020.

**PLACE: CHANDIGARH**

**DATED: 25.06.2020**

**AUDITOR'S REPORT:**

**As per our Separate Report of the Even Date**

**For & on Behalf of Board of Directors**

**SAT PAUL BANSAL**

**Chairman cum  
Managing Director**

DIN-00077499

H. No. 749,

Sec 8, Chandigarh

**RAJNEESH BANSAL**

**Executive Director**

**DIN-00077230**

H. No. 749,

Sec 8, Chandigarh

**For Jain & Associates**

**CHARTERED ACCOUNTANTS  
(FRN – 01361N)**

**HARDAM SINGH**

**Company Secretary**

FCS-5046

H. No. 12D, Angel Appt.

Zirakpur

**BHUPINDER KAUR**

**Chief Financial Officer**

FCA-508485

H. No. 5, ASTHA ENCLAVE-2

Sec. 127, MOHALI

**CA. NEERAJ JAIN,**

**Partner**

**(M. No. 089477)**



**PAUL MERCHANTS Ltd.**<sup>®</sup>